NEW ISSUE (See "Ratings" herein)



\$585,230,000

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

\$423,535,000 SERIES 2018A \$29,015,000 SERIES 2018B \$29,155,000 SERIES 2018C \$25,030,000 SERIES 2018D \$78,495,000 SERIES 2018E

Dated: Date of Delivery

Due: As shown on the inside front cover

Payment and Security: The School Districts Revenue Bond Financing Program Revenue Bonds, Series 2018A (the "Series 2018A Bonds"), the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2018B (the "Series 2018B Bonds"), the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2018B Bonds"), the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2018D Bonds"), and the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2018B Bonds, the Series 2018B Bonds, the Series 2018B Bonds, the Series 2018B Bonds, the Series 2018B Bonds, will be special limited 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 11, 2018, between DASNY and such School Districts, and all funds and accounts in respect of each Series of the Series 2018 Bonds (except the Arbitrage Rebate Fund) authorized under DASNY's Amended and Restated Master School Districts Revenue Bond Financing Program Revenue Bond Resolution adopted February 7, 2018 (the "Master Resolution"), and established by DASNY's Amended and Restated Supplemental Resolution 2018-1, adopted April 11, 2018 authorizing such Series (the "Series 2018 Resolution"). The Master Resolution and the Series 2018 Resolution are herein collectively referred to as the "Resolutions." None of the funds and accounts established to secure a Series of Bonds shall secure any other Series of Bonds. There is no debt service reserve fund securing the Series 2018 Bonds and no real property of any School District secures the Series 2018 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 2018 Bonds relating to such Agreement. The principal and redemption price of and interest on the School District Bonds ("Loan Repayments") are scheduled to be sufficient to repay, when due, the principal and redemption price of and interest on the Loan. Each School District is also required under its respective Agreement to pay such amounts as are required to be paid under such Agreement, including the fees and expenses of DASNY and the Trustee. To secure its payment of all amounts due under its Agreement, each School District under its Agreement has assigned and pledged to DASNY a sufficient portion of public funds apportioned or otherwise made payable by the State to such School District consisting primarily of State aid payable to such School District (the "Pledged Revenues"). Each School District has directed and acknowledged that the Pledged Revenues are to be paid directly to the Trustee pursuant to an assignment by DASNY as provided in the Act (as defined herein) and the Memorandum of Understanding among DASNY, the Comptroller of the State and the Commissioner of Education of the State upon the occurrence of certain events of default under its respective Agreement. Each Series of the Series 2018 Bonds will be separately secured by the pledge and assignment to the Trustee of the payments to be made by each School District to DASNY under its respective Agreement and on the School District Bonds and DASNY's interest in the Pledged Revenues pledged and assigned to DASNY under the Agreements.

Each School District will pledge its full faith and credit to the payment of the principal of and interest on the School District Bonds it delivers to DASNY and has the power and is required under State statutes to levy and collect ad valorem taxes on all taxable property within the School District for such payment. No School District is obligated to make payments on behalf of any other School District nor are the Pledged Revenues of any School District pledged to secure the obligation of any other School District. A default by any School District under its respective Agreement could cause a default on the Series of the Series 2018 Bonds secured by such Agreement. See "PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2018 BONDS."

The Series 2018 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 2018A Bonds and the Series 2018E 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 Assured Guaranty Municipal Corp. ("AGM" or the "Insurer").



Description: The Series 2018 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest on the Series 2018A Bonds, Series 2018B Bonds, Series 2018C Bonds and Series 2018D Bonds due each April 1 and October 1, commencing April 1, 2019 and interest on the Series 2018E Bonds due each April 1 and October 1, commencing October 1, 2019 will be payable by check or draft mailed to the registered owners of the Series 2018 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 2018 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 2018 Bonds will be payable at the principal corporate trust office of The Bank of New York Mellon, 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 2018 Bonds, by wire transfer to the owner of such Series 2018 Bonds as more fully described herein.

The Series 2018 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 2018 Bonds will be made in Book-Entry form without certificates. So long as DTC or its nominee is the registered owner of the Series 2018 Bonds, payments of the principal of and interest on such Series 2018 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 2018 BONDS – Book-Entry Only System" herein.

Redemption: The Series 2018 Bonds are subject to redemption prior to maturity as more fully described herein.

Tax Exemption: In the opinion of Orrick, Herrington & Sutcliffe 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 2018 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 Orrick, Herrington & Sutcliffe LLP, interest on the Series 2018 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Orrick, Herrington & Sutcliffe LLP is also of the opinion that interest on the Series 2018 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). Orrick, Herrington & Sutcliffe LLP, and Marous Law Group, P.C., 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 2018 Bonds. See "PART 10 – TAX MATTERS" herein.

The Series 2018 Bonds are offered when, as and if issued and received by the Underwriters. The offer of the Series 2018 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 Marous Law Group, P.C., New York, New York, Co-Bond Counsel to DASNY, and to certain other conditions. Certain legal matters will be passed upon for the Underwriters by its respective bond counsel, Katten Muchin Rosenman LLP, New York, New York, and the Law Offices of Joseph C. Reid, P.A., New York, New York, and for each School District by its respective bond counsel as listed in Appendix B hereto. DASNY expects to deliver the Series 2018A Bonds, the Series 2018B Bonds, the Series 2018C Bonds and the Series 2018D Bonds in New York, New York, on or about June 7, 2018, and the Series 2018E Bonds in New York, New York, on or about July 2, 2018.

Raymond James

Academy Securities
Drexel Hamilton
Janney Montgomery Scott
Mesirow Financial, Inc.
Ramirez & Co., Inc.

RBC Capital Markets

BofA Merrill Lynch
Fidelity Capital Markets
Loop Capital Markets
Morgan Stanley
Siebert Cisneros Shank & Co., L.L.C.

Roosevelt & Cross Incorporated

Cabrera Capital Markets
Goldman Sachs & Co. LLC
M&T Securities
Oppenheimer & Co.
U.S. Bancorp Investments

\$585,230,000 DORMITORY AUTHORITY OF THE STATE OF NEW YORK SCHOOL DISTRICTS REVENUE BOND FINANCING PROGRAM REVENUE BONDS

\$423,535,000 SERIES 2018A

| Due | | Interest | | | Due | | Interest | | |
|--------|---------------|----------|--------------|----------------------|------------------|---------------|----------|-----------------|----------------------|
| Oct 1, | <u>Amount</u> | Rate | Yield | CUSIP ⁽¹⁾ | Oct 1, | Amount | Rate | Yield | CUSIP ⁽¹⁾ |
| 2019 | \$14,370,000 | 5.000% | 1.820% | 64990GAB8 | 2027 | \$29,345,000 | 5.000% | $2.650\%^{(2)}$ | 64990GAT9 |
| 2020 | 23,870,000 | 5.000 | 1.960 | 64990GAD4 | 2028 | 30,360,000 | 5.000 | $2.710^{(2)}$ | 64990GAV4 |
| 2021 | 23,360,000 | 5.000 | 2.060 | 64990GAF9 | 2029 | 31,785,000 | 5.000 | $2.760^{(2)}$ | 64990GAX0 |
| 2022 | 24,505,000 | 5.000 | 2.160 | 64990GAH5 | 2030 | 33,375,000 | 5.000 | $2.810^{(2)}$ | 64990GAZ5 |
| 2023 | 25,590,000 | 5.000 | 2.230 | 64990GAK8 | 2031 | 34,070,000 | 5.000 | $2.860^{(2)}$ | 64990GBB7 |
| 2024 | 26,360,000 | 5.000 | 2.360 | 64990GAM4 | 2032 | 31,100,000 | 5.000 | $2.880^{(2)}$ | 64990GBD3 |
| 2025 | 26,870,000 | 5.000 | 2.490 | 64990GAP7 | 2033 | 20,975,000 | 5.000 | $2.920^{(2)}$ | 64990GBF8 |
| 2026 | 28,075,000 | 5.000 | 2.580 | 64990GAR3 | 2034^{\dagger} | 1,570,000 | 3.375 | 3.420 | 64990GBG6 |
| | | | | | | | | | |
| Due | | Interest | | | Due | | Interest | | |
| Apr 1, | Amount | Rate | Yield | CUSIP(1) | <u>Apr 1, </u> | Amount | Rate | <u>Yield</u> | CUSIP ⁽¹⁾ |
| 2019 | \$580,000 | 4.000% | 1.770% | 64990GAA0 | 2027 | \$1,250,000 | 5.000% | $2.630\%^{(2)}$ | 64990GAS1 |
| 2020 | 875,000 | 5.000 | 1.910 | 64990GAC6 | 2028 | 1,315,000 | 5.000 | $2.690^{(2)}$ | 64990GAU6 |
| 2021 | 925,000 | 5.000 | 2.030 | 64990GAE2 | 2029 | 1,380,000 | 5.000 | $2.740^{(2)}$ | 64990GAW2 |
| 2022 | 970,000 | 5.000 | 2.120 | 64990GAG7 | 2030 | 1,445,000 | 5.000 | $2.790^{(2)}$ | 64990GAY8 |
| 2023 | 1,010,000 | 5.000 | 2.190 | 64990GAJ1 | 2031 | 1,525,000 | 5.000 | $2.850^{(2)}$ | 64990GBA9 |
| 2024 | 1,075,000 | 5.000 | 2.330 | 64990GAL6 | 2032 | 1,605,000 | 5.000 | $2.880^{(2)}$ | 64990GBC5 |
| 2025 | 1,140,000 | 5.000 | 2.450 | 64990GAN2 | 2033^{\dagger} | 365,000 | 3.250 | 3.330 | 64990GBE1 |
| 2026 | 1,185,000 | 5.000 | 2.560 | 64990GAQ5 | | | | | |

\$350,000 3.500% Term Bonds due October 1, 2038 † , Yield: 3.550% CUSIP $^{(1)}$ 64990GBH4 \$500,000 3.500% Term Bonds due October 1, 2043 † , Yield: 3.620% CUSIP $^{(1)}$ 64990GBJ0 \$460,000 3.625% Term Bonds due October 1, 2047 † , Yield: 3.660% CUSIP $^{(1)}$ 64990GBK7

\$29,015,000 SERIES 2018B

| Due | | Interest | | | Due | | Interest | | |
|--------|---------------|----------|--------------|---------------|--------|---------------|----------|-----------------|----------------------|
| Oct 1, | Amount | Rate | <u>Yield</u> | $CUSIP^{(1)}$ | Oct 1, | Amount | Rate | <u>Yield</u> | CUSIP ⁽¹⁾ |
| 2019 | \$1,165,000 | 4.000% | 1.850% | 64990GBL5 | 2027 | \$2,190,000 | 5.000% | $2.620\%^{(2)}$ | 64990GBU5 |
| 2020 | 1,620,000 | 4.000 | 1.930 | 64990GBM3 | 2028 | 2,300,000 | 5.000 | $2.700^{(2)}$ | 64990GBV3 |
| 2021 | 1,685,000 | 4.000 | 2.010 | 64990GBN1 | 2029 | 2,420,000 | 5.000 | $2.770^{(2)}$ | 64990GBW1 |
| 2022 | 1,750,000 | 4.000 | 2.110 | 64990GBP6 | 2030 | 2,540,000 | 4.000 | $3.090^{(2)}$ | 64990GBX9 |
| 2023 | 1,825,000 | 4.000 | 2.210 | 64990GBQ4 | 2031 | 2,645,000 | 4.000 | $3.150^{(2)}$ | 64990GBY7 |
| 2024 | 1,890,000 | 5.000 | 2.340 | 64990GBR2 | 2032 | 2,615,000 | 4.000 | $3.200^{(2)}$ | 64990GBZ4 |
| 2025 | 1,990,000 | 5.000 | 2.460 | 64990GBS0 | 2033 | 295,000 | 3.250 | 3.330 | 64990GCA8 |
| 2026 | 2,085,000 | 5.000 | 2.530 | 64990GBT8 | | | | | |

\$29,155,000 SERIES 2018C

| Due | | Interest | | | Due | | Interest | | |
|--------|---------------|----------|--------------|----------------------|--------|---------------|----------|-----------------|----------------------|
| Oct 1, | Amount | Rate | Yield | CUSIP ⁽¹⁾ | Oct 1, | Amount | Rate | <u>Yield</u> | CUSIP ⁽¹⁾ |
| 2019 | \$970,000 | 4.000% | 1.850% | 64990GCB6 | 2027 | \$2,090,000 | 5.000% | $2.620\%^{(2)}$ | 64990GCK6 |
| 2020 | 1,795,000 | 4.000 | 1.930 | 64990GCC4 | 2028 | 2,190,000 | 5.000 | $2.700^{(2)}$ | 64990GCL4 |
| 2021 | 1,675,000 | 4.000 | 2.010 | 64990GCD2 | 2029 | 2,295,000 | 5.000 | $2.770^{(2)}$ | 64990GCM2 |
| 2022 | 1,740,000 | 4.000 | 2.110 | 64990GCE0 | 2030 | 2,420,000 | 4.000 | $3.080^{(2)}$ | 64990GCN0 |
| 2023 | 1,805,000 | 4.000 | 2.210 | 64990GCF7 | 2031 | 2,510,000 | 4.000 | $3.140^{(2)}$ | 64990GCP5 |
| 2024 | 1,880,000 | 5.000 | 2.340 | 64990GCG5 | 2032 | 2,475,000 | 4.000 | $3.200^{(2)}$ | 64990GCQ3 |
| 2025 | 1,970,000 | 5.000 | 2.460 | 64990GCH3 | 2033 | 1,185,000 | 4.000 | $3.300^{(2)}$ | 64990GCR1 |
| 2026 | 1,980,000 | 5.000 | 2.530 | 64990GCJ9 | 2034 | 175,000 | 3.375 | 3.380 | 64990GCS9 |

⁽¹⁾ Copyright, American Bankers Association ("ABA"). CUSIP is a registered trademark of the ABA. CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. CUSIP numbers have been assigned by an independent company not affiliated with DASNY and are included solely for the convenience of the holders of the Series 2018 Bonds. DASNY is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2018 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Series 2018 Bonds.

⁽²⁾ Priced at stated yield to the October 1, 2026 optional redemption date at the redemption price of 100%.

[†] Insured by Assured Guaranty Municipal Corp.

\$25,030,000 SERIES 2018D

| Due | | Interest | | | Due | | Interest | | |
|--------|---------------|----------|--------------|---------------|----------------|---------------|----------|-----------------|----------------------|
| Apr 1, | Amount | Rate | Yield | $CUSIP^{(1)}$ | <u>Apr 1, </u> | Amount | Rate | <u>Yield</u> | CUSIP ⁽¹⁾ |
| 2019 | \$1,205,000 | 4.000% | 1.770% | 64990GCT7 | 2027 | \$1,915,000 | 5.000% | $2.550\%^{(3)}$ | 64990GDB5 |
| 2020 | 1,350,000 | 5.000 | 1.820 | 64990GCU4 | 2028 | 2,020,000 | 5.000 | $2.610^{(3)}$ | 64990GDC3 |
| 2021 | 1,420,000 | 5.000 | 1.920 | 64990GCV2 | 2029 | 2,115,000 | 5.000 | $2.680^{(3)}$ | 64990GDD1 |
| 2022 | 1,495,000 | 5.000 | 2.030 | 64990GCW0 | 2030 | 2,230,000 | 5.000 | $2.750^{(3)}$ | 64990GDE9 |
| 2023 | 1,570,000 | 5.000 | 2.110 | 64990GCX8 | 2031 | 2,330,000 | 4.000 | $3.110^{(3)}$ | 64990GDF6 |
| 2024 | 1,650,000 | 5.000 | 2.250 | 64990GCY6 | 2032 | 1,925,000 | 4.000 | $3.160^{(3)}$ | 64990GDG4 |
| 2025 | 1,740,000 | 5.000 | 2.360 | 64990GCZ3 | 2033 | 120,000 | 3.250 | 3.280 | 64990GDH2 |
| 2026 | 1.825.000 | 5.000 | 2.450 | 64990GDA7 | 3034 | 120,000 | 3.250 | 3.330 | 64990GDJ8 |

\$78,495,000 SERIES 2018E

| Due | | Interest | | | Due | | Interest | | |
|-------------------|---------------|----------|--------------|----------------------|------------------|---------------|----------|---------------|----------------------|
| Oct 1, | Amount | Rate | Yield | CUSIP ⁽¹⁾ | Oct 1, | Amount | Rate | Yield | CUSIP ⁽¹⁾ |
| 2019 | \$1,545,000 | 5.000% | 1.890% | 64990GDK5 | 2026^{\dagger} | \$6,280,000 | 5.000% | 2.600% | 64990GDS8 |
| 2020^{\dagger} | 4,685,000 | 5.000 | 2.010 | 64990GDL3 | 2027^{\dagger} | 6,590,000 | 5.000 | $2.670^{(2)}$ | 64990GDT6 |
| 2021^{\dagger} | 4,920,000 | 5.000 | 2.110 | 64990GDM1 | 2028^{\dagger} | 6,930,000 | 5.000 | $2.730^{(2)}$ | 64990GDU3 |
| 2022^{\dagger} | 5,170,000 | 5.000 | 2.210 | 64990GDN9 | 2029^{\dagger} | 6,595,000 | 5.000 | $2.800^{(2)}$ | 64990GDV1 |
| 2023 [†] | 5,430,000 | 5.000 | 2.280 | 64990GDP4 | 2030^{\dagger} | 6,330,000 | 5.000 | $2.860^{(2)}$ | 64990GDW9 |
| 2024^{\dagger} | 5,700,000 | 5.000 | 2.410 | 64990GDQ2 | 2031^{\dagger} | 6,240,000 | 5.000 | $2.890^{(2)}$ | 64990GDX7 |
| 2025^{\dagger} | 5,985,000 | 5.000 | 2.540 | 64990GDR0 | 2032^{\dagger} | 6,095,000 | 5.000 | $2.930^{(2)}$ | 64990GDY5 |

Copyright, American Bankers Association ("ABA"). CUSIP is a registered trademark of the ABA. CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. CUSIP numbers have been assigned by an independent company not affiliated with DASNY and are included solely for the convenience of the holders of the Series 2018 Bonds. DASNY is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2018 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Series 2018 Bonds.

Priced at stated yield to the October 1, 2026 optional redemption date at the redemption price of 100%.

Priced at stated yield to the April 1, 2026 optional redemption date at the redemption price of 100%.

[†] Insured by Assured Guaranty Municipal Corp.



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 2018 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 2018 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 2018 Resolution, the Agreements, the School District Bonds and the Policy do not purport to be complete. Refer to the Act, the Master Resolution, the Series 2018 Resolution, the Agreements, the School District Bonds and the Policy for full and complete details of their provisions. Copies of the Master Resolution, the Series 2018 Resolution, 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, which are beyond the control of DASNY. These forward-looking statements speak only as of the date of this Official Statement. DASNY disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in DASNY's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

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

Certain information in this Official Statement has been supplied or authorized by the School Districts, DTC, the Insurer and other sources that DASNY believes are reliable. DASNY does not guarantee the accuracy or completeness of such information, and such information is not to be construed as a representation of DASNY. See "PART 17 – SOURCES OF INFORMATION AND CERTIFICATIONS" of the Official Statement for a description of the various sources of information. DASNY does not directly or indirectly guarantee, endorse or warrant (1) the creditworthiness or credit standing of the School Districts, (2) the sufficiency of the security for the Series 2018 Bonds or (3) the value or investment quality of the Series 2018 Bonds.

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.

AGM makes no representation regarding the Series 2018 Bonds or the advisability of investing in the Series 2018 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM, supplied by AGM and presented under the heading "PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2018 BONDS – Bond Insurance" and "Appendix H – 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 2018 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF SUCH BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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DORMITORY AUTHORITY – STATE OF NEW YORK GERRARD P. BUSHELL – PRESIDENT

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

OFFICIAL STATEMENT RELATING TO

\$585,230,000

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

\$423,535,000 \$29,015,000 \$29,155,000 \$25,030,000 \$78,495,000 SERIES 2018A SERIES 2018B SERIES 2018C SERIES 2018D SERIES 2018E

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 \$423,535,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2018A (the "Series 2018A Bonds"), \$29,015,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2018B (the "Series 2018B Bonds"), \$29,155,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2018C (the "Series 2018C Bonds"), \$25,030,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2018D Bonds") and \$78,495,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2018E (the "Series 2018E Bonds" and, together with the Series 2018A Bonds, the Series 2018B Bonds, the Series 2018C Bonds and the Series 2018D Bonds, the "Series 2018 Bonds").

The following is a brief description of certain information concerning each Series of the Series 2018 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 2018 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 2018 Bonds are being issued and the proceeds thereof together with other funds available to DASNY will be used (i) (a) to finance all or a portion of the costs of school district capital facilities and school district capital equipment for the School Districts identified in Appendix B and/or (b) to refinance certain bond anticipation notes of the School Districts identified in Appendix B issued to finance all or a portion of the costs of school district capital facilities and school district capital equipment (as described in each School District's Agreement (defined below) in respect of the Applicable Series of Series 2018 Bonds) and (ii) to pay the Costs of Issuance of the Applicable Series of Series 2018 Bonds. The School Districts for which the Series 2018 Bonds are being issued are listed in Appendix B hereto. See "PART 6 – ESTIMATED SOURCES AND USES OF FUNDS."

Authorization of Issuance

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

Each Series of the Series 2018 Bonds will be issued pursuant to the Master Resolution, the Series 2018 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 2018 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 for such Series pursuant to a Supplemental Resolution, (ii) certain payments to be made under an Agreement by a school district receiving a Loan to be funded from the proceeds of the particular Series and (iii) the pledge and assignment by the school district in its Agreement of the portion of certain public funds apportioned or otherwise made payable by the State to the school district consisting primarily of State aid payable to the school district (the "Pledged Revenues"). No school district will be responsible for the payment obligations of any other school district nor will the Pledged Revenues pledged and assigned by a school district be available to satisfy the obligations of any other school district. None of the funds and accounts established under any Supplemental 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 2018 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, 2017 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 2018 Bonds

The Series 2018 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 2018A Bonds, Series 2018B Bonds, Series 2018C Bonds and Series 2018D Bonds is payable each April 1 and October 1, commencing April 1, 2019. Interest on the Series 2018E Bonds is payable each April 1 and October 1, commencing October 1, 2019. See "PART 3 – THE SERIES 2018 BONDS – Description of the Series 2018 Bonds."

Payment of the Series 2018 Bonds

Each Series of the Series 2018 Bonds is a special obligation of DASNY payable solely from the payments to be made by the applicable School Districts under the applicable Agreements and the Pledged Revenues of each School District securing such Series of Series 2018 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 2018 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 2018 Bonds and the Pledged Revenues in respect of such Series 2018 Bonds have been pledged to the Trustee to secure solely such Series 2018 Bonds and no other Series of Bonds. However, if more than one Series of Bonds has in the past been issued or will in the future be issued to finance or refinance projects for a particular School District, the Pledged Revenues assigned by such School District will be pledged to secure all such Series of Bonds on a parity basis. See "PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2018 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 2018 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 2018 Bonds" below. If such Pledged Revenues are insufficient to pay the full amount of the deficiency, then, to the extent such deficiency corresponds to Insured Bonds (defined herein), the only other source of payment for such Insured Bonds will be the payment made by the 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 2018 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 2018 BONDS – Payment of the Series 2018 Bonds" and "– Security for the Series 2018 Bonds."

Security for the Series 2018 Bonds

Each Series of the Series 2018 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 2018 Bonds, including Loan Repayments and all funds and accounts authorized by the Master Resolution and established pursuant to the Series 2018 Resolution with respect to such Series of the Series 2018 Bonds (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 2018 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 2018 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 2018 BONDS – Security for the Series 2018 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 2018A Bonds and certain of the Series 2018E Bonds as set forth on the inside cover pages 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 Assured Guaranty Municipal Corp. ("AGM" or the "Insurer"). See "PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2018 BONDS – Bond Insurance."

PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2018 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 2018 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 2018 Resolution, the Agreements and the School District Bonds for a more complete description of such provisions. Copies of the Act, the Master Resolution, the Series 2018 Resolution, 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 2018 Bonds

Each Series of the Series 2018 Bonds will be special obligations of DASNY. The principal and Redemption Price of and interest on each Series of the Series 2018 Bonds are payable solely from the Revenues pledged to such Series 2018 Bonds. The Revenues consist of the payments paid by the applicable School District under its Agreement in respect of such Series 2018 Bonds, including Loan Repayments and the Pledged Revenues. The Revenues and the right to receive them in respect of each Series of the Series 2018 Bonds have been pledged to the Trustee for the payment of such Series 2018 Bonds.

Loan Repayments in respect of each Series of the Series 2018 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 2018 Bonds and which amounts in the aggregate are scheduled to be sufficient to pay principal of and interest on such Series 2018 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 2018 Bonds may result in an intercept of the Pledged Revenues of such School District in an amount required to pay such deficiency. If such Pledged Revenues are insufficient to pay the full amount of the deficiency, then, to the extent such deficiency corresponds to Insured Bonds, the only other source of payment for such Insured Bonds will be the payment made by the 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 2018 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 2018 Bonds

Each Series of the Series 2018 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 2018 Bonds, all funds and accounts authorized by the Master Resolution and established by the Series 2018 Resolution in respect of such Series 2018 Bonds (with the exception of the Arbitrage Rebate Fund), and DASNY's security interest in the Pledged Revenues in respect of such Series 2018 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 2018 Bonds relating to the Loan of such School District. There is no debt service reserve fund securing the Series 2018 Bonds. The Series 2018 Bonds are not secured by any interest in any real property (including the school district capital facilities and school district capital equipment financed or refinanced by a Series of Bonds) of any School District. Pursuant to the terms of the Master Resolution, the funds and accounts established by a Supplemental Resolution in respect of a Series of Bonds secure only the Bonds of such Series and do not secure any other Series of Bonds issued under the Master Resolution. See "— Additional Bonds and Other Indebtedness" below.

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

DASNY has covenanted for the benefit of the Holders of each Series of the Series 2018 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 2018 Bonds, the proceeds of such Series 2018 Bonds or the funds or accounts established under the Series 2018 Resolution for such Series 2018 Bonds which is prior or equal to the pledge made by the Master Resolution for such Series 2018 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 2018 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 2018 Bonds, have been paid or otherwise discharged. The Pledged Revenues pledged and assigned by one School District will not be available to satisfy the obligation of any other School District.

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

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

While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the School Districts can be paid only if the State has such monies available for such payment. The availability of such monies and the timeliness of such payment could be affected by several factors including but not limited to a delay in the adoption of the State budget in future years and the financial condition of the State. See "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

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

Additional Bonds and Other Indebtedness

In addition to the Series 2018 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 Supplemental Resolution for such Series of Bonds.

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In addition to the proposed issuance of the Series 2018 Bonds, DASNY has also previously issued the following Outstanding Series of Bonds under the Master Resolution for the benefit of the following School Districts and has loaned the proceeds of such Series of Bonds to the following School Districts:

| School Districts Adirondack Central School District | Series of Bonds 2011A, 2017G |
|--|-----------------------------------|
| Baldwinsville Central School District | 2012B, 2014D, 2017D |
| Beaver River Central School District | 2012A |
| City School District of the City of Binghamton | 2011H, 2012A, 2013A, 2017B, 2017G |
| Central Valley Central School District | 2014A |
| Mohawk Central School District (merged into Central Valley Central School District) | 2010A, 2017F |
| Cincinnatus Central School District | 2009B, 2016A |
| Cortland Enlarged City School District | 2014A |
| Fayetteville-Manlius Central School District | 2013B, 2016F |
| Greece Central School District | 2012Н |
| Herkimer Central School District | 2010A, 2017F |
| Indian River Central School District at Philadelphia | 2010A, 2017B, 2017G |
| Lansing Central School District | 2013D, 2015E, 2017B |
| Le Roy Central School District | 2004A |
| Liverpool Central School District | 2016G |
| Lyncourt Union Free School District | 2011B, 2017F |
| Mount Markham Central School District | 2008D, 2015B |
| Norwood-Norfolk Central School District | 2010A, 2017F |
| Oakfield-Alabama Central School District | 2010A |
| City School District of the City of Oneida | 2011H, 2017F |
| Oxford Academy and Central School District | 2016E |
| Rotterdam-Mohonasen Central School District | 2012A, 2017B |
| Scotia-Glenville Central School District | 2012J |
| Solvay Union Free School District | 2016E |
| South Colonie Central School District | 2014B |
| Spencerport Central School District | 2009B, 2016C |
| Ticonderoga Central School District | 2011A, 2017I |
| City School District of the City of Utica | 2012D, 2013E, 2015F, 2016J, 2017E |
| Waverly Central School District | 2011A, 2015D, 2017G |

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 2018 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 2018 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 Supplemental 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 Supplemental 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 Supplemental 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 Supplemental 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 Supplemental 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 Supplemental 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 Supplemental 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 applicable Holders without the consent of the Insurer.

Bond Insurance

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

Bond Insurance Policy

Concurrently with the issuance of the Insured Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Insured Bonds (the "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 H 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.

Assured Guaranty Municipal Corp.

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

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

Current Financial Strength Ratings

On May 7, 2018, Moody's announced it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

On January 23, 2018, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On June 26, 2017, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2017.

Capitalization of AGM

At March 31, 2018:

- The policyholders' surplus of AGM was approximately \$2,247 million.
- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately \$1,133 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.
- The net unearned premium reserves of AGM and its subsidiaries (as described below) were approximately \$1,646 million. Such amount includes (i) 100% of the net unearned premium reserves of AGM and AGM's wholly owned subsidiaries Assured Guaranty (Europe) plc, Assured Guaranty (UK) plc, CIFG Europe S.A. and Assured Guaranty (London) plc (together, the "AGM European Subsidiaries") and (ii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves and net unearned premium reserves of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves of the AGM European Subsidiaries were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

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

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31,2017 (filed by AGL with the SEC on February 23,2018); and
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018 (filed by AGL with the SEC on May 4, 2018).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Series 2018 Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York

10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

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

Miscellaneous Matters

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

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 H – 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 2018 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 – Assured Guaranty Municipal Corp." and "PART 16 – RATINGS" herein.

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

Neither DASNY nor the Underwriters have made 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 2018 BONDS

Description of the Series 2018 Bonds

The Series 2018 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 pages of this Official Statement. Interest on the Series 2018A Bonds, Series 2018B Bonds, Series 2018C Bonds and Series 2018D Bonds is payable each April 1 and October 1, commencing April 1, 2019. Interest on the Series 2018E Bonds is payable each April 1 and October 1, commencing October 1, 2019.

The Series 2018 Bonds will be issued as fully registered bonds. The Series 2018 Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. The Series 2018 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 2018 Bonds will be made in book-entry form, without certificates. If at any time the Book-Entry Only System is discontinued for the Series 2018 Bonds, the Series 2018 Bonds will be exchangeable for other fully registered Series 2018 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 2018 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 2018 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 2018 Bonds will be payable in lawful money of the United States of America at the principal corporate trust office of The Bank of New York Mellon, New York, New York, the Trustee and Paying Agent. As long as the Series 2018 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 2018 Bonds, see "Appendix E – Summary of Certain Provisions of the Master Resolution."

Redemption Provisions

The Series 2018 Bonds are subject to optional and mandatory redemption as described below.

Optional Redemption

Series 2018A Bonds, Series 2018B Bonds, Series 2018C Bonds and Series 2018E Bonds

The Series 2018A Bonds, the Series 2018B Bonds, the Series 2018C Bonds and the Series 2018E Bonds maturing on or before October 1, 2026 are not subject to optional redemption prior to maturity. The Series 2018A Bonds, the Series 2018B Bonds, the Series 2018C Bonds and the Series 2018E 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 such Series 2018 Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

Series 2018D Bonds

The Series 2018D Bonds maturing on or before April 1, 2026 are not subject to optional redemption prior to maturity. The Series 2018D Bonds maturing after April 1, 2026 are subject to redemption prior to maturity on or after April 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 such Series 2018D Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

Mandatory Redemption

The Series 2018A Bonds maturing on October 1, 2038 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 2018A Bonds specified for each of the dates shown below:

Series 2018A Term Bonds Maturing October 1, 2038

| October 1, | Sinking Fund Installment |
|------------------|---------------------------------|
| 2035 | \$85,000 |
| 2036 | 85,000 |
| 2037 | 90,000 |
| 2038^{\dagger} | 90,000 |

[†] Stated maturity.

The Series 2018A Bonds maturing on October 1, 2043 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 2018A Bonds specified for each of the dates shown below:

Series 2018A Term Bonds Maturing October 1, 2043

| October 1, | Sinking Fund Installment |
|------------------|--------------------------|
| 2039 | \$95,000 |
| 2040 | 100,000 |
| 2041 | 100,000 |
| 2042 | 100,000 |
| 2043^{\dagger} | 105,000 |
| | |

[†] Stated maturity.

The Series 2018A Bonds maturing on October 1, 2047 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 2018A Bonds specified for each of the dates shown below:

Series 2018A Term Bonds Maturing October 1, 2047

| October 1, | Sinking Fund Installment |
|------------------|--------------------------|
| 2044 | \$110,000 |
| 2045 | 110,000 |
| 2046 | 120,000 |
| 2047^{\dagger} | 120,000 |

[†] Stated maturity.

Notice of Redemption

Whenever the Series 2018 Bonds are to be redeemed, the Trustee will give notice of the redemption of the Series 2018 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 2018 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 2018 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 2018 Bond to be redeemed to receive such notice will not affect the validity of the proceedings for the redemption of the Series 2018 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 2018 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 2018 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 2018 Bonds. The Series 2018 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 2018 Bond certificate will be issued for each maturity of each Series of the Series 2018 Bonds, each in the aggregate principal amount of such maturity of such Series, and will be deposited with DTC.

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

Purchases of the Series 2018 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2018 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2018 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 2018 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 2018 Bonds, except in the event that use of the book-entry system for the Series 2018 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2018 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 2018 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 2018 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2018 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 2018 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 2018 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 2018 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 2018 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 2018 Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, or interest on, the Series 2018 Bonds, giving any notice permitted or required to be given to a registered owners under the Resolution, registering the transfer of the Series 2018 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 2018 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 2018 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 2018 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 2018 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 2018 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 2018 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 2018 BONDS.

So long as Cede & Co. is the registered owner of the Series 2018 Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2018 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 2018 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 2018 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 2018 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 2018 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 2018 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2018 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 2018A Bonds during each twelve-month period ending October 1 of the years shown.

| 12-Month Period | | | |
|-----------------|--------------------|--------------------|----------------------------------|
| Ending | Principal of the | Interest on the | Total Debt Service on the |
| October 1, | Series 2018A Bonds | Series 2018A Bonds | Series 2018A Bonds |
| 2019 | \$14,950,000 | \$27,796,367 | \$42,746,367 |
| 2020 | 24,745,000 | 20,356,400 | 45,101,400 |
| 2021 | 24,285,000 | 19,117,900 | 43,402,900 |
| 2022 | 25,475,000 | 17,902,525 | 43,377,525 |
| 2023 | 26,600,000 | 16,627,775 | 43,227,775 |
| 2024 | 27,435,000 | 15,296,150 | 42,731,150 |
| 2025 | 28,010,000 | 13,922,775 | 41,932,775 |
| 2026 | 29,260,000 | 12,521,150 | 41,781,150 |
| 2027 | 30,595,000 | 11,056,525 | 41,651,525 |
| 2028 | 31,675,000 | 9,525,150 | 41,200,150 |
| 2029 | 33,165,000 | 7,939,775 | 41,104,775 |
| 2030 | 34,820,000 | 6,279,900 | 41,099,900 |
| 2031 | 35,595,000 | 4,536,900 | 40,131,900 |
| 2032 | 32,705,000 | 2,755,150 | 35,460,150 |
| 2033 | 21,340,000 | 1,154,094 | 22,494,094 |
| 2034 | 1,570,000 | 99,413 | 1,669,413 |
| 2035 | 85,000 | 46,425 | 131,425 |
| 2036 | 85,000 | 43,450 | 128,450 |
| 2037 | 90,000 | 40,475 | 130,475 |
| 2038 | 90,000 | 37,325 | 127,325 |
| 2039 | 95,000 | 34,175 | 129,175 |
| 2040 | 100,000 | 30,850 | 130,850 |
| 2041 | 100,000 | 27,350 | 127,350 |
| 2042 | 100,000 | 23,850 | 123,850 |
| 2043 | 105,000 | 20,350 | 125,350 |
| 2044 | 110,000 | 16,675 | 126,675 |
| 2045 | 110,000 | 12,688 | 122,688 |
| 2046 | 120,000 | 8,700 | 128,700 |
| 2047 | 120,000 | 4,350 | 124,350 |

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The following table sets forth the principal, the interest and the total debt service to be paid on the Series 2018B Bonds during each twelve-month period ending October 1 of the years shown.

| 12-Month Period Ending October 1, | Principal of the Series 2018B Bonds | Interest on the Series 2018B Bonds | Total Debt Service on the Series 2018B Bonds |
|---|--|---------------------------------------|---|
| 2019 | \$1,165,000 | \$1,694,731 | \$2,859,731 |
| 2020 | 1,620,000 | 1,240,538 | 2,860,538 |
| 2021 | 1,685,000 | 1,175,738 | 2,860,738 |
| 2022 | 1,750,000 | 1,108,338 | 2,858,338 |
| 2023 | 1,825,000 | 1,038,338 | 2,863,338 |
| 2024 | 1,890,000 | 965,338 | 2,855,338 |
| 2025 | 1,990,000 | 870,838 | 2,860,838 |
| 2026 | 2,085,000 | 771,338 | 2,856,338 |
| 2027 | 2,190,000 | 667,088 | 2,857,088 |
| 2028 | 2,300,000 | 557,588 | 2,857,588 |
| 2029 | 2,420,000 | 442,588 | 2,862,588 |
| 2030 | 2,540,000 | 321,588 | 2,861,588 |
| 2031 | 2,645,000 | 219,988 | 2,864,988 |
| 2032 | 2,615,000 | 114,188 | 2,729,188 |
| 2033 | 295,000 | 9,588 | 304,588 |

The following table sets forth the principal, the interest and the total debt service to be paid on the Series 2018C Bonds during each twelve-month period ending October 1 of the years shown.

| 12-Month Period Ending | Principal of the | Interest on the | Total Debt Service on the |
|---------------------------|--------------------|--------------------|---------------------------|
| October 1, | Series 2018C Bonds | Series 2018C Bonds | Series 2018C Bonds |
| 2019 | \$970,000 | \$1,697,389 | \$2,667,389 |
| 2020 | 1,795,000 | 1,250,356 | 3,045,356 |
| 2021 | 1,675,000 | 1,178,556 | 2,853,556 |
| 2022 | 1,740,000 | 1,111,556 | 2,851,556 |
| 2023 | 1,805,000 | 1,041,956 | 2,846,956 |
| 2024 | 1,880,000 | 969,756 | 2,849,756 |
| 2025 | 1,970,000 | 875,756 | 2,845,756 |
| 2026 | 1,980,000 | 777,256 | 2,757,256 |
| 2027 | 2,090,000 | 678,256 | 2,768,256 |
| 2028 | 2,190,000 | 573,756 | 2,763,756 |
| 2029 | 2,295,000 | 464,256 | 2,759,256 |
| 2030 | 2,420,000 | 349,506 | 2,769,506 |
| 2031 | 2,510,000 | 252,706 | 2,762,706 |
| 2032 | 2,475,000 | 152,306 | 2,627,306 |
| 2033 | 1,185,000 | 53,306 | 1,238,306 |
| 2034 | 175,000 | 5,906 | 180,906 |

The following table sets forth the principal, the interest and the total debt service to be paid on the Series 2018D Bonds during each twelve-month period ending October 1 of the years shown.

| 12-Month Period | | | |
|-----------------|--------------------|--------------------|---------------------------|
| Ending | Principal of the | Interest on the | Total Debt Service on the |
| October 1, | Series 2018D Bonds | Series 2018D Bonds | Series 2018D Bonds |
| 2019 | \$1,205,000 | \$1,546,288 | \$2,751,288 |
| 2020 | 1,350,000 | 1,110,750 | 2,460,750 |
| 2021 | 1,420,000 | 1,041,500 | 2,461,500 |
| 2022 | 1,495,000 | 968,625 | 2,463,625 |
| 2023 | 1,570,000 | 892,000 | 2,462,000 |
| 2024 | 1,650,000 | 811,500 | 2,461,500 |
| 2025 | 1,740,000 | 726,750 | 2,466,750 |
| 2026 | 1,825,000 | 637,625 | 2,462,625 |
| 2027 | 1,915,000 | 544,125 | 2,459,125 |
| 2028 | 2,020,000 | 445,750 | 2,465,750 |
| 2029 | 2,115,000 | 342,375 | 2,457,375 |
| 2030 | 2,230,000 | 233,750 | 2,463,750 |
| 2031 | 2,330,000 | 131,400 | 2,461,400 |
| 2032 | 1,925,000 | 46,300 | 1,971,300 |
| 2033 | 120,000 | 5,850 | 125,850 |
| 2034 | 120,000 | 1,950 | 121,950 |

The following table sets forth the principal, the interest and the total debt service to be paid on the Series 2018E Bonds during each twelve-month period ending October 1 of the years shown.

| 12-Month Period | | | |
|-----------------|--------------------|--------------------|---------------------------|
| Ending | Principal of the | Interest on the | Total Debt Service on the |
| October 1, | Series 2018E Bonds | Series 2018E Bonds | Series 2018E Bonds |
| 2019 | \$1,545,000 | \$4,895,035 | \$6,440,035 |
| 2020 | 4,685,000 | 3,847,500 | 8,532,500 |
| 2021 | 4,920,000 | 3,613,250 | 8,533,250 |
| 2022 | 5,170,000 | 3,367,250 | 8,537,250 |
| 2023 | 5,430,000 | 3,108,750 | 8,538,750 |
| 2024 | 5,700,000 | 2,837,250 | 8,537,250 |
| 2025 | 5,985,000 | 2,552,250 | 8,537,250 |
| 2026 | 6,280,000 | 2,253,000 | 8,533,000 |
| 2027 | 6,590,000 | 1,939,000 | 8,529,000 |
| 2028 | 6,930,000 | 1,609,500 | 8,539,500 |
| 2029 | 6,595,000 | 1,263,000 | 7,858,000 |
| 2030 | 6,330,000 | 933,250 | 7,263,250 |
| 2031 | 6,240,000 | 616,750 | 6,856,750 |
| 2032 | 6,095,000 | 304,750 | 6,399,750 |

PART 4 – THE SCHOOL DISTRICTS

The principal amount of the Loans to the School Districts, the financial advisors to the School Districts and the bond counsels to the School Districts are listed in Appendix B hereto. Summaries of the constitutional and statutory debt structure and tax and revenue collections which are generally applicable to all school districts in the State are included in this PART 4. Certain financial and economic information relating to each School District is included in Appendix C. The financial statements as of the fiscal year ended June 30, 2017 of each of the School Districts and certain additional information regarding the School Districts have been filed by the School Districts with the EMMA system maintained by the MSRB. Such financial statements are incorporated herein by reference. See "Appendix C – Certain Financial and Economic Information Relating to the School Districts – FINANCIAL FACTORS – General Information."

Summaries of Constitutional and Statutory Debt Provisions

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

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

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

Each of the School Districts has complied with the foregoing estoppel procedure with respect to the School District Bonds (the "Estoppel Procedure").

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

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

Special Provisions Affecting Remedies on Default

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

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

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

Under current law, provision is made for contract creditors (including DASNY as the holder of the School District Bonds delivered pursuant to the Agreement) of the school district to enforce payments upon such contracts, if necessary, through court action, although the present statute limits interest on the amount adjudged due to creditors to 9% per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest (including the School Districts) have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of current funds or the proceeds of a tax levy.

The State has consented that any municipality in the State may file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, the United States Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debts, including judicial control

over identifiable and unidentifiable creditors. Such provision is not applicable to school districts. However, there can be no assurance that State law will not be amended in the future to extend such authorization to school districts.

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

Financial Factors

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

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

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

In addition, the Tax Levy Limitation Law:

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

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

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

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

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

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

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

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

STAR - School Tax Exemption. The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of \$86,000 or less, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first \$65,500 for the 2017-18 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$500,000 are eligible for a \$30,000 "full value" exemption on their primary residence. School districts receive full reimbursement from the State for real property taxes exempted pursuant to the STAR program by the first business day in January of each year.

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

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

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

The State's 2016-2017 Enacted Budget provided for school aid of approximately \$24.8 billion, an increase of approximately \$1.3 billion in school aid spending from the 2015-2016 school year. The State's 2017-2018 Enacted Budget provided for school aid of approximately \$25.7 billion, an increase of approximately \$1.0 billion in school aid spending from the 2016-2017 school year. The State's 2018-2019 Enacted Budget provides for school aid of approximately \$26.7 billion, an increase of approximately \$1.0 billion in school aid spending from the 2017-2018 school year. The majority of the increases have been targeted to high need school districts. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.2% and building aid increased by 4.7%. The State 2018-2019 Enacted Budget continues to link school aid increases for 2018-2019 and 2019-2020 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d.

The amount of State aid to school districts is dependent in part upon the financial condition of the State. During the 2012 to 2018 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. In addition, 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. Although the State's 2018-2019 Budget was adopted on March 30, 2018, in advance of the April 1 deadline, the State's 2017-2018 Budget was adopted on April 9, 2017, a delay of approximately 8 days. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result

in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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

The federal government may enact budgetary changes or take other actions that adversely affect State finances. State legislation adopted with the State's 2018-2019 Budget continues authorization for a process by which the State would manage significant reductions in federal aid during fiscal year 2018-2019 and fiscal year 2019-2020 should they arise. Specifically, the legislation allows the State Budget Director to prepare a plan for consideration by the State Legislature in the event that the federal government (i) reduces federal financial participation in Medicaid funding to the State or its subdivisions by \$850 million or more; or (ii) reduces federal financial participation of other federal aid funding to the State that affects the State Operating Funds financial plan by \$850 million or more, exclusive of any cuts to Medicaid. Each limit is triggered separately. The plan prepared by the State Budget Director must equally and proportionately reduce appropriations and cash disbursements in the State's General Fund and State Special Revenue Funds. Upon receipt of the plan, the State Legislature has 90 days to prepare its own corrective action plan, which may be adopted by concurrent resolution passed by both houses, or the plan submitted by the State Budget Director takes effect automatically.

On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act of 2017 (H.R. 1, P.L. 115-97), making major changes to the Federal Internal Revenue Code, most of which are effective in the 2018 tax year. The new federal tax law makes extensive changes to federal personal income taxes, corporate income taxes, and estate taxes, and the deductibility of various taxes and interest costs. The State's income tax system interacts with the federal system in numerous ways. The federal changes are expected to have significant flow-through effects on State tax burdens and revenues. The State's 2018-2019 Enacted Budget includes legislation decoupling certain linkages between federal and local income tax and corporate taxes, increasing the opportunities for charitable contributions, and providing an option to employers to shift to an employer compensation tax and reduce State personal income taxes. In addition, the State's 2018-2019 Enacted Budget includes legislation that grants localities the option to establish local charitable funds that would provide taxpayers with a credit against their property taxes.

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

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State.

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

For a table of payments made by each School District to the Retirement Systems for the 2012-2013 through 2016-2017 fiscal years, the budgeted amount of such payments to be made to the Retirement Systems in the 2017-2018 fiscal year and the proposed amount of such payments to be made to the Retirement Systems in the 2018-2019 fiscal year, see "Appendix C – Certain Financial and Economic Information Relating to the School Districts – FINANCIAL FACTORS – Pension Payments."

GASB 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. Historically these benefits generally were administered on a pay-as-you-go basis and were not reported as a liability on the financial statements of municipalities and school districts. However, in June of 2004 the Governmental Accounting Standards Board ("GASB") issued GASB Statement No. 45 ("GASB 45") that established standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets) in the financial reports of state and local governmental employers.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") is 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 did 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.

In June of 2015 GASB issued Statement No. 75 ("GASB 75") that replaced the requirements of GASB 45. Like GASB 45, GASB 75 requires a calculation of a present liability for future non-pension benefits for employees and retirees. However, GASB 75 differs from GASB 45 in the manner in which such liability is disclosed on financial statements. Specifically, GASB 75 eliminates the Net OPEB Obligation calculation and instead requires the full liability to be recognized immediately on the balance sheet.

It 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. The unfunded OPEB 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.

Although the Clarence Central School District, the City School District of the City of Dunkirk, the Fairport Central School District, the Geneseo Central School District, the Jordan-Elbridge Central School District, the Le Roy Central School District, the Moravia Central School District, the Pittsford Central School District and the Portville Central School District elected to implement GASB 75 prior to the required date, GASB 75 is effective for fiscal years beginning after June 15, 2017. For a discussion of the impact of GASB 45 (or in some cases GASB 75) on each of the School Districts, see "Appendix C – Certain Financial and Economic Information Relating to the School Districts – FINANCIAL FACTORS – GASB 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.

On the most current applicable report of the State Comptroller each of the Cortland Enlarged City School District and the Harpursville Central School District is classified as "moderate fiscal stress." The Oxford Academy and Central School District is classified as "susceptible to fiscal stress." All of the other School Districts are classified as "no designation."

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

Litigation

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

PART 5 – THE PLAN OF FINANCE

A portion of the proceeds of each Series of the Series 2018 Bonds will be used to provide for (i)(a) the financing of all or a portion of the costs of school district capital facilities and school district capital equipment of the School Districts and/or (b) the refinancing of certain bond anticipation notes of the School Districts the proceeds of which were used to finance all or a portion of the costs of school district capital facilities and school district capital equipment of such School District; and (ii) to pay for the costs of issuance of the applicable Series of the Series 2018 Bonds. Additional information regarding the indebtedness of each School District is included in Appendix C.

PART 6 – ESTIMATED SOURCES AND USES OF FUNDS

Estimated sources and uses of funds are as follows:

| Estimated Sources of Funds | Series 2018A Bonds | Series 2018B <u>Bonds</u> | Series 2018C <u>Bonds</u> | Series 2018D <u>Bonds</u> | Series 2018E <u>Bonds</u> |
|-----------------------------------|-----------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Principal Amount | \$423,535,000 | \$29,015,000 | \$29,155,000 | \$25,030,000 | \$78,495,000 |
| Net Premium/OID | 60,990,751 | 3,185,053 | 3,145,256 | 3,065,792 | 11,260,658 |
| Total Estimated Sources | \$484,525,751 | \$32,200,053 | \$32,300,256 | \$28,095,792 | \$89,755,658 |
| Estimated Uses of Funds | | | | | |
| Deposit to Project Account | \$476,825,525 | \$31,753,022 | \$31,749,838 | \$27,760,000 | \$88,665,000 |
| Costs of Issuance* | 5,027,148† | 269,717 | 366,158 | 187,809 | 621,387 [†] |
| Underwriter's Discount | 2,673,078 | 177,314 | 184,260 | 147,983 | 469,271 |
| Total Estimated Uses | \$484,525,751 | \$32,200,053 | \$32,300,256 | \$28,095,792 | \$89,755,658 |

^{*} Includes additional proceeds.

PART 7 - DASNY

Background, Purposes and Powers

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

[†] Includes bond insurance premium.

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, 2018, DASNY had approximately \$50.5 billion aggregate principal amount of bonds and notes outstanding. DASNY also is authorized to make tax-exempt leases, with its Tax-Exempt Leasing Program (TELP). As part of its operating activities, DASNY also administers a wide variety of grants authorized by the State for economic development, education and community improvement and payable to both public and private grantees from proceeds of State Personal Income Tax Revenue Bonds issued by DASNY.

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

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

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

DASNY has a staff of approximately 507 employees located in three main offices (Albany, New York City and Buffalo) and at approximately 46 field sites across the State.

Governance

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

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

The current members of DASNY are as follows:

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

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

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

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

SANDRA M. SHAPARD, Secretary, Delmar.

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

JONATHAN H. GARDNER, ESQ., Buffalo.

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

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

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

GERARD ROMSKI, ESQ., Mount Kisco.

Gerard Romski was reappointed as a Member of DASNY by the Temporary President of the State Senate on May 9, 2016. He is Counsel and Project Executive for "Arverne by the Sea," where he is responsible for advancing and overseeing all facets of "Arverne by the Sea," one of New York City's largest mixed-use developments located in Queens, New York. Mr. 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.

PAUL S. ELLIS, ESQ., New York

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

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

MaryEllen Elia was appointed by the Board of Regents to serve as Commissioner of Education and President of the University of the State of New York effective July 6, 2015. As Commissioner of Education, Ms. Elia serves as Chief Executive Officer of the State Education Department and as President of the University of the State of New York which is comprised of public and non-public elementary and secondary schools, public and independent colleges and universities, libraries, museums, broadcasting facilities, historical repositories, proprietary schools and services for children and adults with disabilities. Prior to her appointment in New York, Ms. Elia served as Superintendent of Schools in Hillsborough County, Florida for 10 years. She began her career in education in 1970 as a social studies teacher in Buffalo's Sweet Home Central School District and taught for 19 years before becoming an administrator. She holds a Bachelor of Arts degree in History from Daemen College in Buffalo, a Master of Education from the University at Buffalo and a Master of Professional Studies from SUNY Buffalo.

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

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

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

Robert F. Mujica Jr. was appointed Director of the Budget by the Governor and began serving on January 14, 2016. He is responsible for the overall development and management of the State's fiscal policy, including overseeing the preparation of budget recommendations for all State agencies and programs, economic and revenue forecasting, tax policy, fiscal planning, capital financing and management of the State's debt portfolio. Prior to his appointment, Mr. Mujica was Chief of Staff to the Temporary President and Majority Leader of the Senate and concurrently served as the Secretary to the Senate Finance Committee. For two decades, he advised various elected and other government officials in New York on State budget, fiscal and policy issues. Mr. Mujica received his Bachelor of Arts degree in Sociology from Brooklyn College at the City University of New York. He received his Master's degree in Government Administration from the University of Pennsylvania and holds a Juris Doctor degree from Albany Law School.

The principal staff of DASNY is as follows:

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

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

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

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

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

STEPHEN D. CURRO is the Managing Director of Construction. Mr. Curro is responsible for DASNY's construction groups, including design, project management, resource acquisition, contract administration, interior design, real property, sustainability and engineering, as well as other technical services. Mr. Curro joined DASNY in 2001 as Director of Technical Services, and most recently served as Director of Construction Support Services. He is a registered Professional Engineer in New York and has worked in the construction industry for more than 30 years. He holds a Bachelor of Science in Civil Engineering from the University of Rhode Island, a Master of Engineering in Structural Engineering from Rensselaer Polytechnic Institute and a Master of Business Administration from Rensselaer Polytechnic Institute's Lally School of Management.

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

Claims and Litigation

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

Other Matters

New York State Public Authorities Control Board

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

Legislation

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

Environmental Quality Review

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

Independent Auditors

The accounting firm of KPMG LLP audited the financial statements of DASNY for the fiscal year ended March 31, 2017. Copies of the most recent audited financial statements are available upon request at the offices of DASNY.

PART 8 – LEGALITY OF THE SERIES 2018 BONDS FOR INVESTMENT AND DEPOSIT

Under New York State law, the Series 2018 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 2018 Bonds.

The Series 2018 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 2018 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 2018 Bonds.

PART 10 - TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Co–Bond Counsel to DASNY, 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 2018 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 Orrick, Herrington & Sutcliffe LLP, interest on the Series 2018 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Orrick, Herrington & Sutcliffe LLP is also of the opinion that interest on the Series 2018 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 Orrick, Herrington & Sutcliffe LLP is set forth in Appendix F hereto.

To the extent the issue price of any maturity of the Series 2018 Bonds is less than the amount to be paid at maturity of such Series 2018 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2018 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 2018 Bonds. For this purpose, the issue price of a particular maturity of the Series 2018 Bonds is the first price at which a substantial amount of such maturity of the Series 2018 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 2018 Bonds accrues daily over the term to maturity of such Series 2018 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 2018 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2018 Bonds. Beneficial Owners of the Series 2018 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2018 Bonds with original issue discount, including the treatment of Beneficial

Owners who do not purchase such Series 2018 Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2018 Bonds is sold to the public.

Series 2018 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 2018 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 2018 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 2018 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2018 Bonds. The opinion of Orrick, Herrington & Sutcliffe LLP assumes the accuracy of these representations and compliance with these covenants. Orrick, Herrington & Sutcliffe LLP has 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 the attention of Orrick, Herrington & Sutcliffe LLP after the date of issuance of the Series 2018 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2018 Bonds. Accordingly, the opinion of Orrick, Herrington & Sutcliffe LLP is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Orrick, Herrington & Sutcliffe LLP is of the opinion that interest on the Series 2018 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 2018 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. Orrick, Herrington & Sutcliffe LLP expresses 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 2018 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. 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 2018 Bonds. Prospective purchasers of the Series 2018 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 Orrick, Herrington & Sutcliffe LLP is expected to express no opinion.

The opinion of Orrick, Herrington & Sutcliffe LLP is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents the judgment of Orrick, Herrington & Sutcliffe LLP as to the proper treatment of the Series 2018 Bonds for federal income tax purposes. Such opinion is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Orrick, Herrington & Sutcliffe LLP cannot give and has 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 Orrick, Herrington & Sutcliffe LLP with respect to the Series 2018 Bonds ends with the issuance of the Series 2018 Bonds, and, unless separately engaged, Orrick, Herrington & Sutcliffe LLP is not obligated to defend DASNY, the School Districts or the Beneficial Owners regarding the tax—exempt status of the Series 2018 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 2018 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 2018 Bonds, and may cause DASNY, the School Districts or the Beneficial Owners to incur significant expense.

PART 11 – STATE NOT LIABLE ON THE SERIES 2018 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 2018 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 2018 Bonds by DASNY are subject to the approval of Orrick, Herrington & Sutcliffe LLP, New York, New York, and Marous Law Group, P.C., New York, New York, Co-Bond Counsel to DASNY, whose approving opinion will be delivered with the Series 2018 Bonds. The proposed forms of Co-Bond Counsel's approving opinions are set forth in Appendix F.

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

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 2018 Bonds or questioning or affecting the validity of the Series 2018 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 2018A Bonds from DASNY at an aggregate purchase price of \$481,852,672.96 (which represents the par amount of the Series 2018A Bonds, less the underwriters' discount of \$2,673,078.09 plus net premium of \$60,990,751.05) and to make a public offering of the Series 2018A 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 2018B Bonds from DASNY at an aggregate purchase price of \$32,022,739.27 (which represents the par amount of the Series 2018B Bonds, less the underwriters' discount of \$177,313.53 plus net premium of \$3,185,052.80) and to make a public offering of the Series 2018B 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 2018C Bonds from DASNY at an aggregate purchase price of \$32,115,995.76 (which represents the par amount of the Series 2018C Bonds, less the underwriters' discount of \$184,259.79 plus net premium of \$3,145,255.55) and to make a public offering of the Series 2018C 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 2018D Bonds from DASNY at an aggregate purchase price of \$27,947,808.93 (which represents the par amount of the Series 2018D Bonds, less the underwriters' discount of \$147,983.27 plus net premium of \$3,065,792.20) and to make a public offering of the Series 2018D 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 2018E Bonds from DASNY at an aggregate purchase price of \$89,286,387.06 (which represents the par amount of the Series 2018E Bonds, less the underwriters' discount of \$469,270.74 plus aggregate premium of \$11,260,657.80) and to make a public offering of the Series 2018E 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 2018 Bonds is not contingent upon the sale and delivery of any other Series of the Series 2018 Bonds.

The Series 2018 Bonds may be offered and sold to certain dealers (including the Underwriters) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

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

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

PART 15 - CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission ("Rule 15c2-12"), each School District has undertaken in a written agreement (a "Continuing Disclosure Agreement") for the benefit of the Bondholders of the applicable Series of the Series 2018 Bonds to provide operating data and financial information of the type and in the manner specified by the Continuing Disclosure Agreement. The proposed form of Continuing Disclosure Agreement is attached as Appendix G hereto.

Each of the School Districts has certified to DASNY that it has in the previous five years complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12, except as described in Appendix C hereto (under the headings "Historical Disclosure Compliance") with respect to the Adirondack Central School District, the Beaver River Central School District, the Bemus Point Central School District, the Clarence Central School District, the Cortland Enlarged City School District, the Duanesburg Central School District, the City School District of the City of Dunkirk, the Fayetteville-Manlius Central School District, the Herkimer Central School District, the City School District of the City of Hornell, the Lewiston-Porter Central School District, the Liverpool Central School District, the Moravia Central School District, the Norwood-Norfolk Central School District, the City School District of the City of Schenectady, the Solvay Union Free School District, the Ticonderoga Central School District, the City School District of the City of Utica, the Waverly Central School District and the Westfield Central School District.

PART 16 - RATINGS

Fitch Ratings ("Fitch"), S&P Global Ratings, a business unit of Standard and Poor's Financial Services LLC ("S&P"), and Moody's Investors Service, Inc. ("Moody's") have assigned the following ratings to the respective Series of the Series 2018 Bonds:

| | Fitch | Moody's | S&P |
|--------------------|-------|---------|------|
| Series 2018A Bonds | "AA-" | "Aa3" | |
| Series 2018B Bonds | "AA-" | "Aa2" | |
| Series 2018C Bonds | "AA-" | | "AA" |
| Series 2018D Bonds | "AA-" | "Aa1" | |
| Series 2018E Bonds | "AA-" | "Aa3" | |

S&P 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 AGM 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; S&P, 55 Water Street, New York, New York 10041; and/or Moody's, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. There is no assurance that such ratings will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by any or all of such rating agencies if, in the judgment of any or all of them, circumstances so warrant. Any such downward revision or withdrawal of such rating or ratings may have an adverse effect on the market price of the Series 2018 Bonds.

PART 17 – SOURCES OF INFORMATION AND CERTIFICATIONS

Certain information concerning each School District, DTC and the Insurer 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 2018 Bonds, as to the accuracy of such information provided or authorized by it.

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

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

Insurer and the Policy. The specimen Policy attached hereto as Appendix H and the information in "PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2018 BONDS – Bond Insurance" and "Appendix H – Specimen Municipal Bond Insurance Policy" was supplied by the Insurer. DASNY believes that this information is reliable, but makes no representations or warranties whatsoever to the accuracy or completeness of this information.

Co-Bond Counsel. "Appendix A – Definitions," "Appendix D – Summary of Certain Provisions of the Financing Agreements," "Appendix E – Summary of Certain Provisions of the Master Resolution" and "Appendix F – Forms of Approving Opinions of Co-Bond Counsel" have been prepared by Orrick, Herrington & Sutcliffe LLP, New York, New York, and Marous Law Group, P.C., New York, New York, Co-Bond Counsel.

The references herein to the Act, other laws of the State, the Master Resolution, the Agreements, the School District Bonds and the Policy 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 2018 Bonds are fully set forth in the Master Resolution (including any Supplemental Resolutions thereto), and neither any advertisement of the Series 2018 Bonds nor this Official Statement is to be construed as a contract with the purchasers of the Series 2018 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 t | his Officia | l Statement by ar | Authorized | Officer hav | e been duly | authorized |
|---------------|-------------------|-------------|-------------------|------------|-------------|-------------|------------|
| by DASNY. | • | | • | | | | |

DORMITORY AUTHORITY OF THE STATE OF NEW YORK

By: /s/ Gerrard P. Bushell
Authorized Officer



DEFINITIONS



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 Supplemental 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 Supplemental Resolution.

Applicable means (i) with respect to any Supplemental Resolution, the Supplemental Resolution relating to particular Bonds, (ii) with respect to any Series of Bonds, the Series of Bonds issued under a Supplemental 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 Supplemental 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 Supplemental Resolution, (viii) with respect to a Bond Series Certificate, such certificate authorized pursuant to an Applicable Supplemental 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 Supplemental 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 Supplemental 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.

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 or an Assistant Trust Officer of the Trustee, and when used with reference to any act or document also means any other person authorized to perform any act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by-laws of the Trustee.

Bank means a bank, as defined in the Banking Law of the State or a national banking association located and authorized to do business in the State, selected by a School District in its capacity as depository for such School District pursuant to the Applicable Financing Agreement, and any successor depository in such capacity.

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

Bond or Bonds means any of the bonds of DASNY, including the Series 2018 Bonds, authorized and issued pursuant to the Master Resolution and to an Applicable Supplemental 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 Supplemental Resolution authorizing the issuance of such Bonds.

Bond Year, except as otherwise stated in the Applicable Supplemental Resolution or Applicable Bond Series Certificate, means a period of twelve (12) consecutive months beginning April 1 in any calendar year and ending on March 31 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 Supplemental Resolution pursuant to the Master Resolution.

Construction Fund means each such fund so designated, created and established by the Applicable Supplemental 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 Supplemental 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.

Debt Service Fund means the fund so designated, created and established by the Applicable Supplemental 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) a Federal Agency Obligation described in clauses (i) or (ii) of the definition of Federal Agency Obligations;
- (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 Rating Agencies in the highest rating category for such Exempt Obligation; and
 - (d) any other investments acceptable to the Rating Agency(ies) for defeasance

Notwithstanding the foregoing, for purposes of (a), (b) and (c) above, "Defeasance Security" shall not include (1) 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 Supplemental Resolution authorizing a Series of Bonds or a Bond Series Certificate relating to a Series of Bonds to serve as securities depository for the Bonds of such Series.

Exempt Obligation means:

(i) an obligation of any state or territory of the United States of America, any political subdivision of any state or territory of the United States of America, or any agency, authority, public benefit corporation or instrumentality of such state, territory or political subdivision, the interest on which is excludable from gross income under Section 103 of the Code, which is not a "specified private activity bond" within the meaning of Section

57(a)(5) of the Code, and which, at the time an investment therein is made or such obligation is deposited in any fund or account under the Master Resolution, is rated, without regard to qualification of such rating by symbols such as "+" or "-" and numerical notation, no lower than the second highest rating category for such obligation by at least two 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 registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, wholly comprised of any of the foregoing obligations.

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

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

Federal Agency Obligation means:

- (i) an obligation issued by any federal agency or instrumentality approved by DASNY;
- (ii) an obligation the principal of and interest on which are fully insured or guaranteed as to payment by a federal agency approved by DASNY;
- (iii) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on any of the foregoing; and
- (iv) a share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, wholly comprised of any of the foregoing obligations.

Financing Agreement or Agreement means the Financing Agreement relating to the Bonds, dated as of April 11, 2018, 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 as to payment 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 registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, 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 Supplemental 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 Supplemental Resolution, April 1 and October 1 of each Bond Year.

Investment Agreement means a repurchase agreement or other agreement for the investment of money 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 Supplemental Resolution authorizing such Bonds or the Applicable Bond Series Certificate relating to such Bonds.

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

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

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

Notice of Terms means a notice setting forth and confirming the definitive principal amounts, maturity dates and interest rates of the School District Bonds and certain other terms of the Loans which, to the extent such 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 Supplemental 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 Supplemental 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 Supplemental 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 Supplemental 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 and of a Supplemental 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 Obligation;
- (ii) Federal Agency Obligations described in clauses (i) or (ii) of the definition of Federal Agency Obligation;
- (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 Rating Agency and (c) is issued by a domestic corporation whose unsecured senior debt is rated by at least one Rating Agency no lower than in the second highest rating category;
- (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 Rating Agency in the highest rating category; and
- (v) bankers' acceptances issued by a bank rated, at the time an investment therein is made or the same is deposited in any fund or account under the Master Resolution, in the highest short term rating category by at least one Rating Agency and having maturities of not longer than three hundred sixty five (365) days from the date they are pledged.

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, at the time an investment therein is made or the same is deposited in any fund or account under the Master Resolution, rated by at least one Rating Agency in at least the second highest rating category, and (b) fully collateralized by Permitted Collateral;
- (vi) commercial paper issued by a domestic corporation rated, at the time an investment therein is made or the same is deposited in any fund or account under the Master Resolution, in the highest short term rating category by at least one Rating Agency and having maturities of not longer than two hundred seventy (270) days from the date of purchase;
- (vii) bankers' acceptances issued by a bank rated, at the time an investment therein is made or the same is deposited in any fund or account under the Master Resolution, in the highest short term rating category by at least one Rating Agency and having maturities of not longer than three hundred sixty five (365) days from the date they are purchased;

- (viii) Investment Agreements that are fully collateralized by Permitted Collateral; and
- (ix) a share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, whose objective is to maintain a constant share value of \$1.00 per share and that is rated, at the time an investment therein is made or the same is deposited in any fund or account under the Master Resolution, in the highest short term rating category by at least one Rating Agency.

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

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

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

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

Qualified Financial Institution means any of the following entities that has an equity capital of at least \$125,000,000 or whose obligations are unconditionally guaranteed by an affiliate or parent having an equity capital of at least \$125,000,000:

- (i) a securities dealer, the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation, and (a) that is on the Federal Reserve Bank of New York list of primary government securities dealers and (b) whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one 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 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 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 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 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 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 investments of any money held under the Master Resolution purchased from such corporation, are insured by an insurer that meets 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 Supplemental Resolution or Bond Series Certificate.

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

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

S&P means S&P Global Ratings (formerly known as Standard & Poor's Ratings Services), a business unit of Standard and Poor's Financial Services LLC, or its successors and assigns.

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

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

Series means all of the Bonds authenticated and delivered on original issuance and pursuant to the Master Resolution and to the Applicable Supplemental 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 2018A Bond Series Certificate means the Certificate of an authorized officer of DASNY, fixing terms, conditions and other details of the Series 2018A Bonds.

Series 2018B Bond Series Certificate means the Certificate of an authorized officer of DASNY, fixing terms, conditions and other details of the Series 2018B Bonds.

Series 2018C Bond Series Certificate means the Certificate of an authorized officer of DASNY, fixing terms, conditions and other details of the Series 2018C Bonds.

Series 2018D Bond Series Certificate means the Certificate of an authorized officer of DASNY, fixing terms, conditions and other details of the Series 2018D Bonds.

Series 2018E Bond Series Certificate means the Certificate of an authorized officer of DASNY, fixing terms, conditions and other details of the Series 2018E Bonds.

Series 2018 Resolution means the Amended and Restated Supplemental Resolution 2018-1 of DASNY authorizing the issuance of the Series 2018 Bonds adopted by DASNY on April 11, 2018.

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

State means the State of New York.

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

Supplemental Resolution means any resolution amending or supplementing the Master Resolution adopted by DASNY in accordance with 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 Supplemental 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 Supplemental 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 Supplemental 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 Supplemental 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 Supplemental 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 Supplemental Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bond; provided, however, that such variable interest rate may be subject to a Maximum Interest Rate and a Minimum Interest Rate and that there may be an initial rate specified, in each case as provided in such Supplemental Resolution or a Bond Series Certificate; provided, further, that such Supplemental 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



Listed below are the School Districts receiving loans from the proceeds of the Series 2018 Bonds, their financial advisors, their bond counsel and the principal amount being loaned to each School District, exclusive of original issue premium.

| | Financial | Bond | Principal Amount of Series 2018A Loan | Principal Amount of Series 2018B Loan | Principal Amount of Series 2018C Loan | Principal Amount of Series 2018D Loan | Principal Amount of Series 2018E Loan |
|--|----------------|----------------|--|--|--|--|--|
| School District Series 2018A: | <u>Advisor</u> | <u>Counsel</u> | 2010A Luan | 2010D Loan | 2010C Loan | 2010D Loan | 2010E Loan |
| Adirondack Central School | FA | Trespasz | \$7,160,000 | | | | |
| District | | - | | | | | |
| Bath Central School District | BPD | McGill | 12,895,000 | | | | |
| Beaver River Central School | FA | Trespasz | 6,720,000 | | | | |
| District | | | | | | | |
| Bemus Point Central School | MS | Hodgson | 12,920,000 | | | | |
| District | Ε. | 0 1- | 0.475.000 | | | | |
| City School District of the City of Binghamton | FA | Orrick | 9,475,000 | | | | |
| Canton Central School District | FA | Trespasz | 8,720,000 | | | | |
| Central Valley Central School | BPD | McGill | 16,185,000 | | | | |
| District | 512 | 11100111 | 10,100,000 | | | | |
| Cincinnatus Central School | FA | Orrick | 7,330,000 | | | | |
| District | | | | | | | |
| Cortland Enlarged City School | FA | Trespasz | 4,740,000 | | | | |
| District | | | | | | | |
| Duanesburg Central School | FA | Walsh | 11,900,000 | | | | |
| District | | ** 1 | 0.010.000 | | | | |
| City School District of the City of | MS | Hodgson | 9,810,000 | | | | |
| Dunkirk East Bloomfield Central School | FA | Orrick | 6,815,000 | | | | |
| District | ľA | Offick | 0,813,000 | | | | |
| Elmira Heights Central School | BPD | McGill | 8,815,000 | | | | |
| District | | | 0,012,000 | | | | |
| Frankfort-Schuyler Central School | FA | Trespasz | 5,905,000 | | | | |
| District | | | | | | | |
| Geneseo Central School District | FA | HB | 2,170,000 | | | | |
| Gouverneur Central School | BPD | McGill | 18,940,000 | | | | |
| District | DDD | M C'II | 7.660.000 | | | | |
| Greece Central School District | BPD | McGill | 7,660,000 | | | | |
| Harpursville Central School District | FA | Orrick | 11,705,000 | | | | |
| Herkimer Central School District | FA | Hodgson | 6,835,000 | | | | |
| Heuvelton Central School District | BPD | McGill | 3,705,000 | | | | |
| Highland Central School District | BPD | Barclay | 10,440,000 | | | | |
| City School District of the City of | BPD | McGill | 10,680,000 | | | | |
| Hornell | | | | | | | |
| Indian River Central School | FA | Orrick | 10,460,000 | | | | |
| District at Philadelphia | | | | | | | |
| Jordan-Elbridge Central School | BPD | Bond | 7,345,000 | | | | |
| District | Ε. | Tr. | 5 425 000 | | | | |
| Lansing Central School District Le Roy Central School District | FA FA | Trespasz HB | 5,435,000 | | | | |
| Lewiston-Porter Central School | MS | Hodgson | 10,560,000 20,725,000 | | | | |
| District | MIS | Hougson | 20,723,000 | | | | |
| Liverpool Central School District | FA | Bond | 32,110,000 | | | | |
| Lyncourt Union Free School | FA | Trespasz | 1,125,000 | | | | |
| District | | 1 | | | | | |
| Moravia Central School District | FA | Trespasz | \$3,890,000 | | | | |

| School District | Financial Advisor | Bond Counsel | Principal Amount of Series 2018A Loan | Principal Amount of Series 2018B Loan | Principal Amount of Series 2018C Loan | Principal Amount of Series 2018D Loan | Principal Amount of Series 2018E Loan |
|--|----------------------|-----------------|--|--|--|--|--|
| Mount Markham Central School | BPD | McGill | 6,395,000 | | | | |
| District Norwood-Norfolk Central School | FA | Trespasz | 9,685,000 | | | | |
| District Oakfield-Alabama Central School District | MS | Hodgson | 13,430,000 | | | | |
| City School District of the City of Oneida | FA | Orrick | 6,485,000 | | | | |
| Oxford Academy and Central School District | FA | Bond | 2,035,000 | | | | |
| Portville Central School District | FA | Orrick | 5,315,000 | | | | |
| Rotterdam-Mohonasen Central School | FA | Barclay | 9,510,000 | | | | |
| Salmon River Central School District | FA | Trespasz | 16,545,000 | | | | |
| Scotia-Glenville Central School District | FA | Hodgson | 13,265,000 | | | | |
| Sodus Central School District | BPD | McGill | 7,830,000 | | | | |
| Solvay Union Free School District | FA | Trespasz | 4,565,000 | | | | |
| Spencerport Central School District | BPD | McGill | 8,660,000 | | | | |
| Starpoint Central School District | BPD | Hawkins | 11,755,000 | | | | |
| Ticonderoga Central School District | FA | Squire | 6,380,000 | | | | |
| Van Hornesville-Owen D. Young Central School District | BPD | Hodgson | 2,055,000 | | | | |
| Waverly Central School District | FA | Trespasz | 3,970,000 | | | | |
| Westfield Central School District | MS | Hodgson | 2,480,000 | | | | |
| Series 2018B: | | | | | | | |
| Baldwinsville Central School District | FA | Trespasz | | \$3,235,000 | | | |
| Clarence Central School District | MS | Hodgson | | 25,780,000 | | | |
| Series 2018C: | | | | | | | |
| Fairport Central School District | FA | Trespasz | | | \$20,650,000 | | |
| Fayetteville-Manlius Central School District | FA | Trespasz | | | 1,835,000 | | |
| Northville Central School District | BPD | Barclay | | | 6,670,000 | | |
| Series 2018D: Pittsford Central School District | FA | НВ | | | | \$25,030,000 | |
| Series 2018E: | | | | | | | |
| City School District of the City of Schenectady | FA | Orrick | | | | | \$57,725,000 |
| South Colonie Central School District | FA | Orrick | | | | | 10,940,000 |
| City School District of the City of Utica | FA | Bond | | | | | 9,830,000 |

Abbreviations for Financial Advisors and Bond Counsel

Barclay Damon, LLP
BPD Bernard P. Donegan, Inc.

Bond Bond, Schoeneck & King, PLLC FA Fiscal Advisors & Marketing, Inc. Hawkins Delafield & Wood LLP

HB Harris Beach PLLC Hodgson Hodgson Russ LLP

McGill Law Offices of Timothy R. McGill, Esq.

MS Municipal Solutions, Inc.

Orrick Orrick, Herrington & Sutcliffe LLP
Squire Squire Patton Boggs (US) LLP
Trespasz & Marquardt, LLP

Walsh Walsh & Walsh, LLP



CERTAIN FINANCIAL AND ECONOMIC INFORMATION RELATING TO THE SCHOOL DISTRICTS



APPENDIX C-1 DESCRIPTION OF ADIRONDACK CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-1 a brief description of the Adirondack 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 part of New York State and has a land area of 370 square miles. The District is located in located in Oneida, Herkimer and Lewis Counties (the "Counties") and is headquartered in the Village of Boonville. Many residents work in the City of Rome which is approximately 20 miles to the south. Major highways bisecting the District include Sate Routes #12, #12D, #26, #46, and #294. In close proximity to the District are Interstate #90 (the New York State Thruway) and Interstate #81 providing east-west and north-south access.

The District is primarily residential and agricultural in nature. Gas and electric services are provided by Iroquois Gas Transmission and National Grid and Boonville Municipal Commission, respectively. Sewer and water services are available to residents by the Village of Boonville.

Population

The current estimated population of the District is 8,552. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|------------------------------|------------------------|------------------|
| Nirvana/Alder Creek Beverage | Water Bottling Company | 70 |
| Ballie Lumber | Lumber Company | 60 |
| Sunset Nursing Home | Nursing Home | 54 |
| Lodging Kit | Houseware Warehouse | 33 |
| 3B Timber | Utility | 30 |

Five Largest Taxpayers

| <u>Name</u> | Type | Full Valuation |
|---------------------------|----------------|----------------|
| Iroquois Gas Transmission | Utility | \$ 43,078,072 |
| National Grid | Utility | 24,343,107 |
| City of Rome Water | Utility | 18,060,800 |
| Alder Creek Beverages | Water Bottling | 8,753,333 |
| Municipal Commission | Utility | 5,558,334 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 21.75% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) are Oneida, Herkimer and Lewis Counties.

| | Year Average | | | | |
|-----------------|--------------|-------------|-------------|-------------|-------------|
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Oneida County | 7.4% | 6.1% | 5.3% | 4.8% | 5.1% |
| Herkimer County | 7.8 | 6.7 | 6.2 | 5.5 | 5.8 |
| Lewis County | 9.4 | 7.8 | 6.9 | 6.7 | 6.7 |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | 2013-14 | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | • | Projected <u>2019-20</u> |
|------|---------|----------------|----------------|----------------|----------------|-------|--------------------------|
| K-12 | 1,312 | 1,326 | 1,301 | 1,277 | 1,263 | 1,270 | 1,270 |

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|---|------------------------------------|
| 131 | Adirondack Teachers' Association | June 30, 2016 (1) |
| 128 | Non-Teaching Personnel Association | June 30, 2020 |
| 9 | Adirondack Central School Administrators' Association | June 30, 2020 |

⁽¹⁾ Currently under negotiations.

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DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property | \$ 701,004,409 70,100,441 |
|---|------------------------------|
| Gross Indebtedness ⁽¹⁾⁽²⁾ | \$ 16,295,921 0 |
| Total Net Indebtedness | \$ 16,295,921 |
| Net Debt Contracting Margin | \$ 53,804,520 23.25% |

- (1) The District has not incurred any indebtedness since the date of this table.
- 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 \$7,160,000 School District Bonds to DASNY in connection with the refunding of \$8,145,921 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- 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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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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding <u>Indebtedness</u> (1) | Exclusions ⁽²⁾ | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|---------------------|-------------------------------------|---------------------------|----------------------------|-----------------------------|--|
| Counties of: | | | | | |
| Oneida | \$ 188,926,689 | \$ 44,384,844 | \$ 144,541,845 | 4.95% | \$ 7,154,821 |
| Herkimer | 6,900,000 | 0 | 6,900,000 | 1.39 | 95,910 |
| Lewis | 10,094,735 | 0 | 10,094,735 | 4.48 | 452,244 |
| Towns of: | | | | | |
| Annsville | 730,576 | 500,576 | 230,000 | 4.48 | 10,304 |
| Ava | - | - | - | 100.00 | - |
| Boonville | 59,858 | - | 59,858 | 96.88 | 57,990 |
| Forestport | 1,504,798 | 660,000 | 844,798 | 39.44 | 333,188 |
| Lee | - | - | - | 10.99 | - |
| Lewis | 225,000 | - | 225,000 | 100.00 | 225,000 |
| Leyden | = | - | - | 25.02 | - |
| Lyonsdale | 250,000 | - | 250,000 | 4.03 | 10,075 |
| Ohio | 138,741 | 138,741 | - | 19.03 | - |
| Remsen | = | - | - | 0.76 | = |
| Russia | 458,950 | - | 458,950 | 0.17 | 780 |
| Steuben | - | - | - | 6.21 | - |
| Webb | 2,740,931 | 360,000 | 2,380,931 | 1.46 | 34,762 |
| West Turin | = | - | - | 1.35 | - |
| Western | - | - | - | 7.55 | - |
| Village of: | | | | | |
| Boonville | 2,367,519 | 1,163,000 | 1,204,519 | 100.00 | 1,204,519 |
| | | | | Total | \$ 9,579,594 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

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⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | Amount | Per Capita ⁽²⁾ | Percentage of Full Value ⁽³⁾ |
|--|---------------|------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$ 16.295.921 | \$ 1.905.51 | 2.32% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 25,875,515 | 3,025.67 | 3.69 |

- The District has not incurred any indebtedness since the date of the above table.
- Based on the District's current estimated population of 8,552.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$701,004,409.
- (4) The District expects to deliver \$7,160,000 School District Bonds to DASNY in connection with the refunding of \$8,145,921 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District has not found it necessary to issue revenue anticipation notes in the recent past. The District does not anticipate issuing revenue anticipation notes in the foreseeable future.

Capital Project Plans

The District is currently in the planning stages of an approximately \$20 million capital project. The District plans to vote on the project in May 2018.

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.

Adirondack Central School District https://emma.msrb.org/ER1097316-ER858558-ER1259232.pdf

Base CUSIP: 006896

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 15th, uncollected taxes are returnable to the Counties for collection. The District receives this amount from said Counties prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------|----------------|----------------|----------------|----------------|----------------|
| Towns of: | | | | | |
| Annsville | \$ 3,440,735 | \$ 3,490,928 | \$ 3,582,803 | \$ 3,635,227 | \$ 3,674,551 |
| Ava | 35,586,450 | 35,596,963 | 36,144,968 | 36,430,138 | 36,730,454 |
| Boonville | 187,410,407 | 188,919,680 | 197,856,399 | 197,342,985 | 193,468,625 |
| Forestport | 104,951,745 | 104,879,976 | 105,366,169 | 105,948,797 | 106,224,736 |
| Lee | 1,218,126 | 1,224,087 | 1,243,182 | 1,258,122 | 1,275,285 |
| Lewis | 67,393,413 | 68,004,041 | 68,887,491 | 69,156,417 | 69,379,084 |
| Leydon | 20,580,514 | 20,732,727 | 23,884,829 | 24,944,411 | 25,495,269 |
| Lyonsdale | 3,149,210 | 3,065,100 | 3,055,284 | 3,053,126 | 3,049,462 |
| Ohio | 37,664,434 | 37,645,933 | 37,640,475 | 37,785,154 | 37,594,053 |
| Remsen | 547,755 | 550,150 | 550,150 | 550,150 | 557,850 |
| Russia | 333,707 | 333,894 | 334,090 | 336,454 | 336,497 |
| Steuben | 4,061,601 | 3,962,791 | 3,971,114 | 3,992,712 | 3,983,825 |
| Webb | 25,268,074 | 25,394,684 | 25,364,611 | 22,079,455 | 22,531,082 |
| Western | 5,726,076 | 5,797,453 | 6,060,853 | 6,163,686 | 6,179,790 |
| West Turin | 1,677,576 | 1,665,446 | 1,653,692 | 1,823,920 | 1,762,888 |
| Total Assessed | · | | · | | |
| Valuation | \$ 499,009,823 | \$ 501,263,853 | \$ 515,596,110 | \$ 514,500,754 | \$ 512,243,451 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-------------------------|----------------|----------------|----------------|----------------|----------------|
| Towns of: | | | | | |
| Annsville | 62.00% | 60.30% | 57.60% | 55.40% | 56.00% |
| Ava | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Boonville | 64.00 | 64.00 | 64.00 | 61.50 | 60.00 |
| Forestport | 85.00 | 85.00 | 85.00 | 85.00 | 85.00 |
| Lee | 3.30 | 3.30 | 3.30 | 3.33 | 3.33 |
| Lewis | 115.48 | 110.72 | 109.41 | 105.81 | 107.88 |
| Leydon | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Lyonsdale | 100.00 | 100.00 | 100.00 | 99.00 | 89.00 |
| Ohio | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Remsen | 58.00 | 57.00 | 57.00 | 51.00 | 51.00 |
| Russia | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Steuben | 100.00 | 100.00 | 100.00 | 100.00 | 97.00 |
| Webb | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Western | 58.25 | 58.25 | 58.25 | 54.50 | 54.50 |
| West Turin | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Total Full Valuation | \$ 656,219,409 | \$ 662,193,277 | \$ 683,384,985 | \$ 698,095,276 | \$ 701,004,409 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$9,485,870 | \$9,597,197 | \$9,809,858 | \$9,798,552 | \$9,752,274 |
| % Uncollected When Due ⁽¹⁾ | 1.68% | 1.67% | 1.62% | 1.63% | 0.79% |

⁽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 payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> ⁽¹⁾ | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|--|------------------------------|---|
| 2013-2014 | \$ 15,184,161 | \$ 25,407,326 | 59.76% |
| 2014-2015 | 15,734,348 | 26,021,947 | 60.46 |
| 2015-2016 | 16,170,239 | 26,521,159 | 60.97 |
| 2016-2017 | 16,716,873 | 27,105,255 | 61.67 |
| 2017-2018 (Budgeted) | 17,732,657 | 28,072,439 | 63.17 |
| 2018-2019 (Proposed) | 17,044,798 | 27,489,802 | 62.00 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year, and the proposed payments for the 2018-2019 fiscal year are as follows:

| <u>ERS</u> | <u>TRS</u> |
|------------|--|
| \$ 581,774 | \$ 1,006,122 |
| 731,863 | 1,421,429 |
| 492,390 | 1,167,330 |
| 543,235 | 991,573 |
| 541,000 | 840,000 |
| 541,000 | 930,000 |
| | \$ 581,774 731,863 492,390 543,235 541,000 |

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

GASB 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, 2017, 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 \$80,708,410. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$80,708,410. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$27,877,155. The District's annual OPEB expense was \$6,865,762 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,832,604 to the Plan for the fiscal year ending June 30, 2017, resulting in a net increase to its unfunded OPEB obligation of \$5,033,158, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$32,910,313. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – GASB and OPEB."

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

Recent Operating Results

The District's expenditures exceeded its revenues by \$19,173 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$1,545,940 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 | Existing Debt | New Debt | Total Debt |
|-------------|----------------------|-----------------|-------------------|
| <u>Year</u> | Service | Service | Service |
| 2017-2018 | \$2,742,023 | - | \$2,742,023 |
| 2018-2019 | 1,267,150 | \$486,367 | 1,753,517 |
| 2019-2020 | 1,273,950 | 742,250 | 2,016,200 |
| 2020-2021 | 1,143,900 | 738,000 | 1,881,900 |
| 2021-2022 | 1,134,650 | 738,000 | 1,872,650 |
| 2022-2023 | 1,138,700 | 737,000 | 1,875,700 |
| 2023-2024 | 1,137,600 | 740,000 | 1,877,600 |
| 2024-2025 | 383,250 | 736,750 | 1,120,000 |
| 2025-2026 | - | 737,500 | 737,500 |
| 2026-2027 | - | 742,000 | 742,000 |
| 2027-2028 | - | 740,000 | 740,000 |
| 2028-2029 | - | 736,750 | 736,750 |
| 2029-2030 | - | 742,250 | 742,250 |
| 2030-2031 | - | 741,000 | 741,000 |
| 2031-2032 | - | 738,250 | 738,250 |
| 2032-2033 | - | 399,000 | 399,000 |

Historical Disclosure Compliance

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

• The District timely filed its Annual Financial Information and Operating Data ("AFIOD") for fiscal year ending June 30, 2013; however, the operating data that was provided as part of such filing was dated as of March 7, 2013, prior to the close of the June 30, 2013 fiscal year. An event notice regarding the aforementioned was filed with EMMA on September 26, 2017. Additionally, such AFIOD did not contain a table for its "Major Employers"

The information contained under this subheading "Historical Disclosure Compliance" does not constitute operating data and annual financial information for purposes of DASNY's continuing disclosure agreement.

APPENDIX C-2 DESCRIPTION OF BALDWINSVILLE CENTRAL SCHOOL DISTRICT

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

GENERAL INFORMATION

Description

The District is located in upstate New York, 10 miles northwest of the City of Syracuse. Major highways accessible to the District include Interstate #690, #481 and #90 (the New York State Thruway).

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

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

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

Population

The current estimated population of the District is 35,217. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|-----------------------|--------------------|------------------|
| Lockheed Martin | Defense Contractor | 2,250 |
| Anheuser-Busch, Inc. | Brewery | 450 |
| McClane Trucking | Trucking Co. | 450 |
| Gypsum Trucking | Trucking Co. | 150 |
| PaperWorks Industries | Paper Company | 150 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|--------------------------|--------------|----------------|
| Anheuser-Busch, Inc. | Brewery | \$ 75,000,000 |
| National Grid | Utility | 64,689,124 |
| Empire State Pipeline | Pipeline | 15,467,756 |
| Village Green Apartments | Apartments | 13,786,600 |
| McLane NE | Distribution | 12,500,000 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 9.66% of the tax base of the District.

Unemployment Rate Statistics

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

| Year Av | erage |
|---------|-------|
|---------|-------|

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------|-------------|-------------|-------------|-------------|-------------|
| Onondaga County | 6.8% | 5.5% | 4.9% | 4.5% | 4.7% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | • | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|----------------|-------|--------------------------|
| K-12 | 5,622 | 5,660 | 5,555 | 5,535 | 5,550 | 5,543 | 5,591 |

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|---|---------------------------------|
| 247 | CSEA (Local 834) Bus Drivers, Custodial & Cafeteria | June 30, 2020 |
| 19 | Baldwinsville Association of Principals and Instructional Supervisors | June 30, 2019 |
| 484 | Baldwinsville Teachers' Association | June 30, 2018 (1) |
| 180 | Baldwinsville Substitute Teachers' Association | June 30, 2018 (1) |
| 209 | Baldwinsville Education Support Professional Association | June 30, 2019 |
| 3 | Baldwinsville Transportation Support Staff Association | June 30, 2019 |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | |
|---|--------------------|
| Gross Indebtedness ⁽²⁾ | \$ 50,206,514 0 |
| Total Net Indebtedness | |
| Net Debt Contracting Margin | \$ 178,899,577 |
| Percentage of Debt Contracting Power Exhausted | 21.91% |

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

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding Indebtedness ⁽¹⁾ | Exclusions(2) | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-----------------------------------|--|----------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Onondaga | \$ 652,085,295 | \$ 326,150,634 | \$ 325,934,661 | 8.40% | \$ 27,378,512 |
| Town of: | | | | | |
| Lysander | 3,627,538 | - | 3,627,538 | 91.51 | 3,319,560 |
| Van Buren | 2,917,940 | 73,875 | 2,844,065 | 85.99 | 2,445,611 |
| Clay | 3,989,543 | 836,300 | 3,153,243 | 5.56 | 175,320 |
| Village of: | | | | | |
| Baldwinsville | 396,400 | - | 396,400 | 100.00 | 396,400 |
| Fire District of: Belgium Cold | | | | | |
| Springs | 795,000 | - | 795,000 | 100.00 | 795,000 |
| | | | | Total | \$ 33,715,403 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

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 \$3,235,000 School District Bonds to DASNY in connection with the refunding of \$3,452,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

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.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | | Per | Percentage of Full |
|--|---------------|-----------------------|-----------------------|
| | Amount | Capita ⁽²⁾ | Value ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ | \$ 50,206,514 | \$ 1,425.63 | 2.19% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 83,921,917 | 2,382.99 | 3.66 |

- (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 35,217.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$2,291,060,914.
- (4) The District expects to deliver \$3,235,000 School District Bonds to DASNY in connection with the refunding of \$3,452,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The School District has not found it necessary to issue revenue or tax anticipation notes in the recent past and does not plan to do so in the foreseeable future.

Capital Project Plans

The District received voter approval in February of 2016 for a \$32.4 million capital project. The primary focus will be the construction of a new transportation center on land outside of the Village of Baldwinsville. As a part of this project, the District will also be proposing roof replacements at two Elementary Schools, the Public Library and part of the Baker High School roofs be replaced. Some locker replacement at the secondary schools and a re-construction of the Baker High School cafeteria are also on the list of work for this project. The District issued \$10,000,000 bond anticipation notes on October 27, 2017 as the first borrowing for the aforementioned purpose. Future borrowings will be pursuant to construction cash flow needs.

The District received voter approval for an energy performance project. The District issued \$3,452,000 bond anticipation notes on June 30, 2017 as the first borrowing for this purpose. The School District Bonds are being issued to permanently finance this project.

There are no other projects approved nor are any being contemplated by the District 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.

Baldwinsville Central School District https://emma.msrb.org/ER1097274-ER858522-ER1259196.pdf Base CUSIP: 058399

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

Real Estate Property Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 1st to October 31st. On or about November 15th, uncollected taxes are returnable to the County of Onondaga for collection. The District receives this amount from the County prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the County.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

Assessed Valuation Years Ending June 30,

| <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|------------------|--|--|--|---|
| | | | | |
| \$ 1,413,207,255 | \$ 1,443,996,156 | \$ 1,447,063,784 | \$ 1,478,022,989 | \$ 1,507,171,959 |
| 564,270,441 | 578,221,689 | 582,524,017 | 582,224,914 | 588,989,141 |
| 8,160,000 | 8,142,003 | 8,151,764 | 8,288,946 | 8,361,202 |
| \$ 1,985,637,696 | \$ 2,030,359,848 | \$ 2,037,739,565 | \$ 2,068,536,849 | \$ 2,104,522,302 |
| | \$ 1,413,207,255 564,270,441 8,160,000 | \$ 1,413,207,255 564,270,441 8,160,000 \$ 1,443,996,156 578,221,689 8,142,003 | \$ 1,413,207,255 \$ 1,443,996,156 \$ 1,447,063,784 564,270,441 578,221,689 582,524,017 8,160,000 8,142,003 8,151,764 | \$ 1,413,207,255 \$ 1,443,996,156 \$ 1,447,063,784 \$ 1,478,022,989 564,270,441 578,221,689 582,524,017 582,224,914 8,160,000 8,142,003 8,151,764 8,288,946 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|------------------|------------------|------------------|------------------|------------------|
| Towns of: | | | | | |
| Lysander | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Van Buren | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Clay | 4.34 | 4.34 | 4.31 | 4.27 | 4.29 |
| Taxable Full | | | | | |
| Valuation | \$ 2,165,496,129 | \$ 2,209,821,601 | \$ 2,218,723,857 | \$ 2,254,368,418 | \$ 2,291,060,914 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|---------------|---------------|---------------|---------------|----------------------|
| Total Tax Levy | \$ 50,421,638 | \$ 51,870,096 | \$ 52,811,641 | \$ 53,392,764 | \$ 54,663,512 |
| % Uncollected When Due ⁽¹⁾ | 4.90% | 4.05% | 3.77% | 3.80% | 3.80% ⁽²⁾ |

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

⁽²⁾ Estimated.

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 payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year.

State Aid and Revenues

| | Total | Total | Percentage of Total Revenues Consisting of |
|----------------------|---------------|-------------------------|--|
| Fiscal Year | State Aid(1) | Revenues ⁽¹⁾ | State Aid (1) |
| 2013-2014 | \$ 35,951,433 | \$ 89,830,089 | 40.02% |
| 2014-2015 | 37,262,207 | 92,528,599 | 40.27 |
| 2015-2016 | 39,480,590 | 95,904,697 | 41.17 |
| 2016-2017 | 41,400,500 | 98,561,895 | 42.00 |
| 2017-2018 (Budgeted) | 42,722,782 | 100,387,259 | 42.56 |
| 2018-2019 (Proposed) | 43,262,725 | 102,953,352 | 42.02 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year, and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|--------------|--------------|
| 2013-2014 | \$ 2,194,177 | \$ 5,831,494 |
| 2014-2015 | 1,957,971 | 6,472,708 |
| 2015-2016 | 2,030,943 | 5,064,814 |
| 2016-2017 | 1,290,927 | 4,797,229 |
| 2017-2018 (Budgeted) | 1,642,222 | 3,681,072 |
| 2018-2019 (Proposed) | 1,765,057 | 4,414,450 |

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

GASB and OPEB

The District contracted with Armory Associates to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2017, 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 \$161,015,725. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$161,015,725. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$87,082,410. The District's annual OPEB expense was \$16,012,709 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$4,373,831 to the Plan for the fiscal year ending June 30, 2017, resulting in a net increase to its unfunded OPEB obligation of \$11,638,878, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$98,721,288. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$2,332,910 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$4,189,722 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 | Existing Debt | New Debt | Total Debt |
|-------------|----------------------|-----------------|-------------------|
| <u>Year</u> | Service | Service | Service |
| 2017-2018 | \$7,351,736 | = | \$7,351,736 |
| 2018-2019 | 6,432,239 | \$299,712 | 6,731,951 |
| 2019-2020 | 4,094,595 | 300,688 | 4,395,283 |
| 2020-2021 | 3,878,008 | 299,088 | 4,177,096 |
| 2021-2022 | 3,656,742 | 302,288 | 3,959,030 |
| 2022-2023 | 3,449,469 | 305,088 | 3,754,557 |
| 2023-2024 | 3,193,819 | 297,488 | 3,491,307 |
| 2024-2025 | 3,191,569 | 297,988 | 3,489,557 |
| 2025-2026 | 3,193,444 | 297,988 | 3,491,432 |
| 2026-2027 | 2,177,725 | 302,488 | 2,480,213 |
| 2027-2028 | 2,212,738 | 301,238 | 2,513,976 |
| 2028-2029 | 2,207,331 | 304,488 | 2,511,819 |
| 2029-2030 | 1,383,500 | 301,988 | 1,685,488 |
| 2030-2031 | 1,383,750 | 301,588 | 1,685,338 |
| 2031-2032 | 1,386,000 | 300,788 | 1,686,788 |
| 2032-2033 | - | 304,588 | 304,588 |

APPENDIX C-3 DESCRIPTION OF BATH CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-3 a brief description of the Bath 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 heart of Steuben County, approximately 75 miles south of Rochester and 20 miles west of Corning, and covers approximately 94 square miles.

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 Village of Bath supplies gas, electricity and water to many of the District residents. The Village of Bath police department, supplemented by the Steuben County Sheriff's Department and the New York State Police, provides police protection.

The District provides public education for grades Pre-K-12. 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.

Recreational facilities include the Finger Lakes Region to the north and the Watkins Glen, Letchworth and Stony Brook State Parks. Two ski centers are also located within a one-hour drive of the District.

Population

The current estimated population of the District is 11,141. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | Type | Employees |
|----------------------------------|-----------------------|------------------|
| Steuben County | Municipal Government | 970 |
| Veterans Administration Hospital | Government Hospital | 575 |
| Steuben ARC | Human Services Agency | 400 |
| Ira Davenport Hospital | Hospital | 390 |
| Bath Central School District | Public Education | 322 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|---|---------------------|----------------|
| New York State Electric & Gas Corporation | Utility | \$13,825,066 |
| Steuben Rural Electric Cooperative | Utility | 9,297,286 |
| Anna Gerych | Pilot Gas Station | 6,075,556 |
| Cavalier Development (Acme Plaza) | Commercial Business | 5,335,778 |
| Lake Country Estates Inc. | Mobile Home Park | 5,226,222 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 11.15% 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.

Year Average

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|
| Steuben County | 8.4% | 6.9% | 6.3% | 5.8% | 5.8% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.6 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|----------|----------------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| Pre-K-12 | 1,586 | 1,609 | 1,585 | 1,575 | 1,570 | 1,580 | 1,600 |

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|---|---------------------------------|
| 156 | Haverling Teachers' Association | June 30, 2021 |
| 74 | Haverling Non-Teachers' Association | June 30, 2018 ⁽¹⁾ |
| 45 | Haverling Teaching Assistants | June 30, 2019 |
| 22 | Haverling Transportation Association | June 30, 2019 |
| 6 | Bath Administrators' Association | June 30, 2018 ⁽¹⁾ |
| 4 | Bath Confidential/Managerial Employees' Association | June 30, 2019 |
| 1 | Superintendent of Schools | June 30, 2021 |
| 1 | Business Administrator | June 30, 2019 |

⁽¹⁾ Tentative agreements have been signed.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| \$504,134,776 50,413,477 |
|-----------------------------|
| \$32,811,964 0 |
| \$32,811,964 |
| \$17,601,513 65.09% |
| |

- The District has not incurred any indebtedness since the date of this table.
- Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$12,895,000 School District Bonds to DASNY in connection with the refunding of \$13,000,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- 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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding <u>Indebtedness</u> (1) | Exclusions ⁽²⁾ | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-------------|-------------------------------------|---------------------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Steuben | \$3,145,000 | \$0 | \$3,145,000 | 8.89% | \$279,591 |
| Towns of: | | | | | |
| Avoca | 343,288 | 0 | 343,288 | 2.22 | 7,621 |
| Bath | 0 | 0 | 0 | 86.95 | 0 |
| Cameron | 0 | 0 | 0 | 29.53 | 0 |
| Thurston | 36,744 | 0 | 36,744 | 6.21 | 2,282 |
| Urbana | 0 | 0 | 0 | 5.58 | 0 |
| Wheeler | 0 | 0 | 0 | 24.06 | 0 |
| Village of: | | | | | |
| Bath | 15,317,578 | 0 | 15,317,578 | 100.00 | 15,317,578 |
| | | | | Total | \$15,607,072 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | <u>Amount</u> | Per <u>Capita⁽²⁾</u> | Percentage of Full <u>Value⁽³⁾</u> |
|--|---------------|------------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$32,811,964 | \$2,945.15 | 6.51% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 48,419,036 | 4,346.02 | 9.60 |

- (1) The District has not incurred any indebtedness since the date of the above table.
- Based on the District's current estimated population of 11,141.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$504,134,776.
- The District expects to deliver \$12,895,000 School District Bonds to DASNY in connection with the refunding of \$13,000,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

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

Capital Project Plans

After the issuance of the Bonds, \$20,443,023 of the \$35,443,023 Capital Project for which the Bonds are being issued will remain authorized but unissued. The District anticipates borrowing for the remainder of the authorization by the summer of 2019.

On May 15, 2018 the District voters will consider a proposition for the acquisition of school buses at an estimated cost of \$284,000. If approved by the voters, the District may obtain financing for the buses in September of 2018. However, as of the date of this Appendix C, the dollar amount 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.

Bath Central School District

https://emma.msrb.org/ER1113183-ER870643-ER1271347.pdf

Base CUSIP: 071138

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 October 1st, no penalty is imposed. There is a 2% penalty if paid by the end of October. On November 1st, a list of all unpaid taxes is given to the Steuben County Treasurer for relevy on County/Town tax rolls. The District is reimbursed by the County 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|---------------|--------------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Avoca | \$2,132,287 | \$2,114,297 | \$2,105,689 | \$2,298,581 | \$2,303,453 |
| Bath | 201,544,176 | 197,559,554 | 201,735,955 | 202,584,146 | 202,652,730 |
| Cameron | 12,802,825 | $14,717,654^{(1)}$ | 14,620,148 | 14,532,571 | 14,438,653 |
| Thurston | 164,355 | 163,831 | 165,952 | 163,402 | 154,436 |
| Urbana | 15,359,608 | 15,537,584 | 15,620,567 | 15,695,063 | 15,994,923 |
| Wheeler | 14,023,762 | 14,030,340 | 14,125,968 | 15,942,934 | 15,860,950 |
| Total Assessed Valuation | \$246,027,013 | \$244,123,260 | \$248,374,279 | \$251,216,697 | \$251,405,145 |

⁽¹⁾ Difference due to townwide revaluation.

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|----------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Avoca | 100.00% | 95.00% | 94.00% | 100.00% | 100.00% |
| Bath | 47.00 | 46.00 | 45.00 | 45.00 | 45.00 |
| Cameron | 92.00 | $100.00^{(1)}$ | 100.00 | 99.00 | 98.00 |
| Thurston | 3.76 | 3.76 | 3.33 | 3.15 | 3.15 |
| Urbana | 100.00 | 100.00 | 100.00 | 98.00 | 100.00 |
| Wheeler | 100.00 | 97.00 | 91.00 | 100.00 | 100.00 |
| Taxable Full | | | | | |
| Valuation | \$478,620,310 | \$480,779,580 | \$501,289,516 | \$504,310,606 | \$504,134,776 |

⁽¹⁾ Difference due to townwide revaluation.

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$8,566,990 | \$8,511,584 | \$8,592,881 | \$8,576,399 | \$8,685,127 |
| % Uncollected When Due ⁽¹⁾ | 7.92% | 8.57% | 7.48% | 9.54% | 10.76% |

⁽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 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> ⁽¹⁾ | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|--|------------------------------|---|
| 2013-2014 | \$21,076,272 | \$31,121,312 | 67.72% |
| 2014-2015 | 21,767,479 | 31,697,881 | 68.67 |
| 2015-2016 | 21,968,555 | 31,823,042 | 69.03 |
| 2016-2017 | 22,785,031 | 32,816,513 | 69.43 |
| 2017-2018 (Budgeted) | 24,549,243 | 35,589,859 | 68.98 |
| 2018-2019 (Proposed) | 26,859,459 | 38,153,311 | 70.40 |

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|-------------|
| 2013-2014 | \$467,000 | \$1,670,000 |
| 2014-2015 | 428,000 | 1,874,000 |
| 2015-2016 | 411,000 | 1,518,000 |
| 2016-2017 | 369,000 | 1,330,000 |
| 2017-2018 (Budgeted) | 515,813 | 1,457,081 |
| 2018-2019 (Proposed) | 515,813 | 1,457,081 |
| | | |

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

GASB and OPEB

The District contracted with BPA to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of July 1, 2016, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$80,105,807. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$80,105,807. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$29,397,035. The District's annual OPEB expense was \$7,167,036 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,676,735 to the Plan for the fiscal year ending June 30, 2017 to 551 employees, resulting in a net increase to its unfunded OPEB obligation of \$5,490,301, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$34,887,336. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$557,612 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$2,560,211 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|---------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$5,303,978 | - | \$5,303,978 |
| 2018-2019 | 5,246,123 | \$1,303,921 | 6,550,044 |
| 2019-2020 | 1,330,008 | 1,302,000 | 2,632,008 |
| 2020-2021 | 1,324,736 | 1,298,000 | 2,622,736 |
| 2021-2022 | 1,323,890 | 1,297,500 | 2,621,390 |
| 2022-2023 | 1,331,842 | 1,250,250 | 2,582,092 |
| 2023-2024 | 1,332,595 | 1,248,500 | 2,581,095 |
| 2024-2025 | 1,320,350 | 1,245,000 | 2,565,350 |
| 2025-2026 | 849,818 | 1,249,750 | 2,099,568 |
| 2026-2027 | 396,968 | 1,247,250 | 1,644,218 |
| 2027-2028 | 351,698 | 1,247,750 | 1,599,448 |
| 2028-2029 | 352,044 | 1,246,000 | 1,598,044 |
| 2029-2030 | 266,802 | 1,247,000 | 1,513,802 |
| 2030-2031 | 63,362 | 1,245,500 | 1,308,862 |
| 2031-2032 | 66,748 | 1,246,500 | 1,313,248 |
| 2032-2033 | - | 1,149,750 | 1,149,750 |

APPENDIX C-4 DESCRIPTION OF BEAVER RIVER CENTRAL SCHOOL DISTRICT

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

GENERAL INFORMATION

Description

The District was established in 1952 and presently serves approximately 900 students in a single kindergarten through grade 12 building in Beaver Falls, New York. The District is located east of the Black River and west of the Adirondack Mountains in Lewis County (the "County") and is one of the largest geographic districts in the State, encompassing over 237 square miles. The District includes the Town of Croghan, the Town of New Bremen and a portion of the Town of Watson.

The County, where the District is located, is a predominately rural county located in Northern New York State, nearly due east of Lake Ontario. The economy of the District is primary based on agriculture and forest related products and industries. In addition to being a well-known dairy/milk producing area, the District is also noted for wood specialty products, paper manufacturing, box folding, maple syrup production and tourism.

Population

The current estimated population of the District is 5,506. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | Type | Employees |
|--------------------------------------|------------------------------|------------------|
| Beaver River Central School District | Educational Institution | 154 |
| Interface Solutions | Specialty Paper Manufacturer | 45 |
| Omniafiltra | Specialty Paper Manufacturer | 40 |
| Aries Chemical | Chemical Mfg. & Distribution | 15 |
| Lewis Co. General Hospital | Healthcare Clinic | 13 |

Five Largest Taxpayers

| <u>Name</u> | Type | Full Valuation |
|---------------------------|-----------------|----------------|
| Iroquois Gas Transmission | Utility | \$ 67,281,700 |
| Erie Boulevard Hydropower | Hydro-Dams | 39,761,400 |
| National Grid | Utility | 29,688,000 |
| Village of Lowville | Municipal Water | 5,266,300 |
| Jackson Timberland | Land Trust | 4,682,285 |

The total estimated full valuation of the top ten (10) taxpayers represents approximately 32.32% 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 the County.

| Year Av | erage |
|---------|-------|
|---------|-------|

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|
| Lewis County | 9.35% | 7.8% | 7.1% | 6.7% | 6.7% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | 2013-14 | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|---------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 864 | 849 | 847 | 845 | 856 | 855 | 860 |

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.

| Number of Employees | Bargaining Unit | Contract Expiration Date |
|------------------------|---|---------------------------------|
| 91 | Beaver River CSD School Related Personnel Association | June 30, 2018 (1) |
| 72 | Beaver River Teachers' Association | June 30, 2020 |
| 3 | Administrators – Principals | June 30, 2019 |
| 1 | Administrator – Superintendent | June 30, 2021 |
| 8 | Managerial/Confidential | N/A – No Contract |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018 (1)

| \$513,765,447 51,376,545 |
|-----------------------------|
| \$11,501,262 0 |
| \$11,501,262 |
| \$39,875,283 22.39% |
| |

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

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding Indebtedness ⁽¹⁾ | Exclusions(2) | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-------------|--|---------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Lewis | \$10,094,735 | 0 | \$10,094,735 | 21.75% | \$2,195,605 |
| Town of: | | | | | |
| Croghan | 0 | 0 | 0 | 87.57 | 0 |
| New Bremen | 0 | 0 | 0 | 97.17 | 0 |
| Watson | 0 | 0 | 0 | 27.84 | 0 |
| Village of: | | | | | |
| Croghan | 86,000 | 86,000 | 0 | 100.00 | 0 |
| | | | | Total | \$2,195,608 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

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 \$6,720,000 School District Bonds to DASNY in connection with the refunding of \$9,255,000 of the District's outstanding bond anticipation notes. 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.

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.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018 (1)

| | | Per | Percentage of Full |
|--|---------------|-----------------------|-----------------------|
| | Amount | Capita ⁽²⁾ | Value ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ | \$11,501,262 | \$2,088.86 | 2.24% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 13,696,870 | 2,487.63 | 2.67 |

- (1) The District has not incurred any indebtedness since the date of the above table.
- Based on the District's current estimated population of 5,506.
- Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$513,765,447.
- The District expects to deliver \$6,720,000 School District Bonds to DASNY in connection with the refunding of \$9,255,000 of the District's outstanding bond anticipation notes. 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, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

On March 7, 2018, the voters of the component school districts of the Board of Cooperative Educational Services of the Sole Supervisory District of Jefferson, Lewis, Hamilton, Herkimer and Oneida Counties, New York (the "BOCES"), approved a \$20 million project for upgrades to the existing BOCES technical centers and the special and alternative education buildings and the no-cost purchase of the Jack J. Boak, Jr. Educational Center in Lowville. The District's share of the BOCES project is anticipated to be \$783,864. Borrowings are not expected to occur until 2019 or 2020.

Historically, the District has issued bonds and notes annually to finance the acquisition of buses. On May 15, 2018, the qualified voters of the District will be asked to vote on a proposition for \$303,128 for the purchase of buses. Pending a positive vote, the District would plan to issue serial bonds in late fall 2018 to finance the acquisition of such buses.

The District is in the very early stages of planning a capital improvement project to be voted on in late 2018, with anticipated construction in 2020. The scope and project size are not known at this time.

Other than as stated above and the issuance of the School District Bonds, the District has no other authorized and or 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.

Beaver River Central School District http://emma.msrb.org/ER1097800-ER858975-ER1259659.pdf Base CUSIP: 075347

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 the 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------|----------------|----------------|----------------|----------------|----------------|
| Towns of: | | | | | |
| Crogan | \$ 168,140,497 | \$ 169,154,675 | \$ 170,209,364 | \$ 170,769,065 | \$ 171,296,202 |
| New Bremen | 151,908,308 | 152,589,701 | 153,157,988 | 157,185,927 | 158,679,562 |
| Watson | 53,227,546 | 51,615,195 | 53,569,959 | 54,779,133 | 54,566,232 |
| Total Assessed | | | | | |
| Valuation | \$ 373,276,351 | \$ 373,359,571 | \$ 376,937,311 | \$ 382,734,125 | \$ 384,541,996 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|----------------|----------------|----------------|----------------|----------------|
| Towns of: | | | | | |
| Crogan | 68.00% | 68.00% | 67.00% | 57.00% | 57.00% |
| New Bremen | 100.00 | 100.00 | 98.00 | 100.00 | 100.00 |
| Watson | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Taxable Full | | | | | |
| Valuation | \$ 452,401,291 | \$ 452,961,771 | \$ 463,897,447 | \$ 511,559,911 | \$ 513,765,447 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$4,844,533 | \$4,941,420 | \$5,040,252 | \$5,141,057 | \$5,243,878 |
| % Uncollected When Due ⁽¹⁾ | 5.93% | 5.93% | 6.21% | 6.04% | 5.79% |

⁽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 2018-2019 fiscal year.

State Aid and Revenues

| Fiscal Year | Total <u>State Aid</u> ⁽¹⁾ | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|--|------------------------------|---|
| 2013-2014 | \$ 9,340,644 | \$ 14,613,923 | 63.92% |
| 2014-2015 | 10,060,749 | 15,306,756 | 65.73 |
| 2015-2016 | 10,327,467 | 15,734,906 | 65.63 |
| 2016-2017 | 9,307,169 | 14,808,281 | 62.85 |
| 2017-2018 (Budgeted) | 9,900,878 | 15,222,319 | 65.04 |
| 2018-2019 (Proposed) | 10,121,910 | 15,726,390 | 64.36 |

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | ERS | <u>TRS</u> |
|----------------------|------------|------------|
| 2013-2014 | \$ 372,855 | \$ 686,999 |
| 2014-2015 | 335,712 | 785,501 |
| 2015-2016 | 229,088 | 631,004 |
| 2016-2017 | 226,446 | 569,263 |
| 2017-2018 (Budgeted) | 268,544 | 453,789 |
| 2018-2019 (Proposed) | 250,629 | 525,873 |

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

GASB and **OPEB**

The District contracted with BPAS Health Consulting Services to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2017, 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 \$28,077,481. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$28,077,481. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$9,973,702. The District's annual OPEB expense was \$2,242,463 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$829,382 to the Plan for the fiscal year ending June 30, 2017 to 230 employees, resulting in a net increase to its unfunded OPEB obligation of \$1,413,081, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$11,386,783. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$199,852 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$1,095,237 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|---------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$505,651 | - | \$505,651 |
| 2018-2019 | 531,143 | \$697,400 | 1,228,543 |
| 2019-2020 | 465,679 | 698,250 | 1,163,929 |
| 2020-2021 | 344,584 | 694,500 | 1,039,084 |
| 2021-2022 | 286,578 | 700,000 | 986,578 |
| 2022-2023 | 213,839 | 699,250 | 913,089 |
| 2023-2024 | 146,913 | 697,500 | 844,413 |
| 2024-2025 | 150,663 | 694,750 | 845,413 |
| 2025-2026 | 148,913 | 696,000 | 844,913 |
| 2026-2027 | 149,713 | 701,000 | 850,713 |
| 2027-2028 | - | 699,500 | 699,500 |
| 2028-2029 | - | 696,750 | 696,750 |
| 2029-2030 | - | 702,750 | 702,750 |
| 2030-2031 | - | 562,000 | 562,000 |
| 2031-2032 | - | 536,750 | 536,750 |
| 2032-2033 | - | 136,500 | 136,500 |

Recent Late Payment of Interest

On October 1, 2016 the District had a scheduled principal and interest payment. The amount due was principal in the amount of \$48,284 and interest in the amount of \$5,285.21. As a result of clerical oversight and incorrect amounts that were stated on a schedule of repayment, on October 1, 2016 the District paid principal in the amount of \$49,169.21 and interest in the amount of \$2,702.66 leaving an interest payment balance due of \$1,697.34. The District paid the remaining \$1,697.34 portion of interest due on October 17, 2016 after being made aware of the unpaid balance by the Depository Trust Company on October 14, 2016. A material event notice disclosing the late payment was posted to the Electronic Municipal Market (EMMA) website on October 28, 2016. The District has rectified the oversight and foresees no reason to believe the oversight will happen again in the future.

Historical Disclosure Compliance

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

• On October 1, 2016 the District had a scheduled principal and interest payment. The amount due was principal in the amount of \$48,284 and interest in the amount of \$5,285.21. As a result of clerical oversight and incorrect amounts that were stated on a schedule of repayment, on October 1, 2016 the District paid principal in the amount of \$49,169.21 and interest in the amount of \$2,702.66 leaving an interest payment balance due of \$1,697.34. The District paid the remaining \$1,697.34 portion of interest due on October 17, 2016 after being made aware of the unpaid balance by the Depository Trust Company on October 14, 2016. A material event notice disclosing the late payment was posted to the Electronic Municipal Market (EMMA) website on October 28, 2016.

The information contained under this subheading "Historical Disclosure Compliance" does not constitute operating data and annual financial information for purposes of DASNY's continuing disclosure agreement.

APPENDIX C-5 DESCRIPTION OF BEMUS POINT CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-5 a brief description of the Bemus 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 encompasses an area of approximately 59 square miles in Chautauqua County (the "County") on the eastern shore of Chautauqua Lake, between the City of Jamestown and the Village of Mayville. The District includes a major portion of the Town of Ellery and the Village of Bemus Point, as well as smaller portions of the Towns of Ellicott and Gerry.

The District is served by an interchange of New York Interstate #86, and a New York Interstate #90 interchange is within 15 miles of the northwestern edge of the District.

The District is largely residential and agricultural, with summer homes and resorts located along Chautauqua Lake. Many residents find employment in the City of Jamestown.

Population

The current estimated population of the District is 5,449. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|-------------------------------------|---------------------------|------------------|
| Heritage Green | Nursing Home | 235 |
| Bemus Point Central School District | Public Education | 130 |
| Casino | Restaurant | 120 |
| Midway Park | Amusement Park (seasonal) | 75 |
| Hotel Lenhart | Hotel | 50 |

Many District residents find employment in the nearby City of Jamestown.

Five Largest Taxpayers

| <u>Name</u> | Type | Full Valuation |
|-------------------------|------------------|----------------|
| National Grid | Utility | \$4,817,713 |
| High Acres Fairdale LLC | Mobile Home Park | 4,664,900 |
| Viking Temple | Various | 2,280,000 |
| DLM Holdings | Residential | 2,200,000 |
| Mary Ellen Rapaport | Residential | 1,890,900 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 4.01% 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 the County.

| Year Av | erage |
|---------|-------|
|---------|-------|

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-------------------|-------------|-------------|-------------|-------------|-------------|
| Chautauqua County | 8.0 | 6.8% | 6.0% | 5.8% | 6.1% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | 2017-18 | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|---------|--------------------------|--------------------------|
| K-12 | 736 | 756 | 733 | 735 | 713 | 715 | 715 |

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.

|] | Number of | | Contract |
|-----|------------------|---|------------------------|
|] | <u>Employees</u> | Bargaining Unit | Expiration Date |
| | 74 | Bemus Point Faculty Association | June 30, 2018 (1) |
| | 51 | Bemus Point Support Staff | June 30, 2019 |
| | 3 | Bemus Point Administrator | June 30, 2022 |
| | 4 | Bemus Point Non-Instructional Supervisors | June 30, 2022 |
| | 3 | Bemus Point Confidential Managerial; | June 30, 2022 |
| (1) | Currently und | der negotiations. | |

.. . .

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$585,300,476 58,530,048 |
|---|-----------------------------|
| Gross Indebtedness ⁽²⁾ | \$17,221,000 0 |
| Total Net Indebtedness | \$17,221,000 |
| Net Debt Contracting Margin Percentage of Debt Contracting Power Exhausted | \$41,309,048 29.42% |

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

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding <u>Indebtedness</u> (1) | Exclusions ⁽²⁾ | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-------------|-------------------------------------|---------------------------|----------------------------|-----------------------------|--|
| County of: | ¢40,004,510 | ФО | #40.004.510 | 0.400/ | Φ4 1 2 0 040 |
| Chautauqua | \$49,084,518 | \$0 | \$49,084,518 | 8.40% | \$4,120,948 |
| Town of: | | | | | |
| Ellery | 212,978 | 0 | 212,978 | 100.00 | 212,978 |
| Ellicott | 872,333 | 0 | 872,333 | 13.81 | 120,457 |
| Gerry | 0 | 0 | 0 | 3.34 | 0 |
| Village of: | | | | | |
| Bemus Point | 0 | 0 | 0 | 100.00 | 0 |
| | | | | Total | \$4,454,383 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$12,920,000 School District Bonds to DASNY in connection with the refunding of \$15,430,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.

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.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | <u>Amount</u> | Per <u>Capita⁽²⁾</u> | Percentage of Full <u>Value⁽³⁾</u> |
|--|---------------|------------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$17,221,000 | \$3,160.40 | 2.94% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 21,675,383 | 3,977.86 | 3.70 |

- (1) The District has not incurred any indebtedness since the date of the above table.
- Based on the District's current estimated population of 5,449.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$585,300,476.
- (4) The District expects to deliver \$12,920,000 School District Bonds to DASNY in connection with the refunding of \$15,430,000 of the District's outstanding bond anticipation notes. 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, 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.

Bemus Point Central School District

http://emma.msrb.org/ES1058017-ES826229-ES1227372.pdf

Base CUSIP: 081455

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 payable and due by September 30th. There is a 2% penalty if paid between October 1st and October 31st and 3% between November 1st and 15th. On November 15th, a list of all unpaid taxes is given to the County Treasurer for relevy on County/District tax rolls with additional penalties. 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------|---------------|---------------|---------------|---------------------------------------|---------------|
| Towns of: | | | | | |
| Ellery | \$477,836,431 | \$478,471,755 | \$479,245,211 | \$479,577,258 | \$481,847,745 |
| Ellicott | 67,249,413 | 65,887,321 | 66,272,079 | 66,272,079 | 66,079,334 |
| Gerry | 2,347,397 | 2,305,448 | 2,438,701 | 2,438,701 | 2,438,943 |
| Total Assessed | | | | · · · · · · · · · · · · · · · · · · · | |
| Valuation | \$547,433,241 | \$546,664,524 | \$547,955,991 | \$548,288,038 | \$550,366,022 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Ellery | 100.00% | 100.00% | 100.00% | 94.00% | 93.50% |
| Ellicott | 100.00 | 99.00 | 100.00 | 97.20 | 98.00 |
| Gerry | 100.00 | 100.00 | 100.00 | 98.00 | 96.50 |
| Taxable Full | | | | | |
| Valuation | \$547,433,241 | \$547,330,052 | \$547,955,991 | \$580,858,194 | \$585,300,476 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$7,857,878 | \$8,016,094 | \$8,192,392 | \$8,456,882 | \$8,655,260 |
| % Uncollected When Due ⁽¹⁾ | 7.20% | 6.05% | 5.88% | 5.57% | 5.69% |

⁽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 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid⁽¹⁾</u> | Total <u>Revenues</u> ⁽¹⁾ | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|---|---|---|
| 2013-2014 | \$4,379,372 | \$12,568,141 | 34.85% |
| 2014-2015 | 3,940,234 | 12,117,033 | 32.52 |
| 2015-2016 | 4,107,060 | 12,513,104 | 32.82 |
| 2016-2017 | 4,620,441 | 13,360,150 | 34.58 |
| 2017-2018 (Budgeted) | 5,486,265 | 14,559,775 | 37.68 |
| 2018-2019 (Proposed) | 5,760,799 | 15,469,340 | 37.24 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2013-2014 | \$308,756 | \$760,864 |
| 2014-2015 | 276,725 | 849,153 |
| 2015-2016 | 240,162 | 647,907 |
| 2016-2017 | 226,932 | 614,583 |
| 2017-2018 (Budgeted) | 249,200 | 500,000 |
| 2018-2019 (Proposed) | 249,500 | 555,000 |

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

GASB and OPEB

The District contracted with R.A. Mercer & Co., P.C. to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2017, 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 \$2,656,176. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$6,611,785. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$200,010. The District's annual OPEB expense was \$198,118 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$123,577 to the Plan for the fiscal year ending June 30, 2017 to 25 employees, resulting in a net increase to its unfunded OPEB obligation of \$74,541, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$274,551. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$162,503 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$2,125,276 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$286,306 | - | \$286,306 |
| 2018-2019 | 280,994 | \$1,320,567 | 1,601,561 |
| 2019-2020 | 280,375 | 1,317,500 | 1,597,875 |
| 2020-2021 | 169,344 | 1,322,750 | 1,492,094 |
| 2021-2022 | 87,406 | 1,321,000 | 1,408,406 |
| 2022-2023 | 84,172 | 1,322,500 | 1,406,672 |
| 2023-2024 | 85,731 | 1,322,000 | 1,407,731 |
| 2024-2025 | 86,966 | 1,324,500 | 1,411,466 |
| 2025-2026 | - | 1,324,750 | 1,324,750 |
| 2026-2027 | - | 1,322,750 | 1,322,750 |
| 2027-2028 | - | 1,318,500 | 1,318,500 |
| 2028-2029 | - | 1,322,000 | 1,322,000 |
| 2029-2030 | - | 1,317,750 | 1,317,750 |
| 2030-2031 | - | 1,201,000 | 1,201,000 |
| 2031-2032 | - | 1,067,250 | 1,067,250 |
| 2032-2033 | - | 472,500 | 472,500 |
| | | | |

⁽¹⁾ Schedule does not include remaining payments of \$922,018.89 due under an energy performance contract.

Historical Disclosure Compliance

The District has in the previous five years complied, in all material respect with any previous undertakings pursuant to Securities Exchange Commission Rule 15c-12; however;

• The District did fail to file the required material event notice related to a bond insurer rating change in a timely manner. The required material event and failure to file notice were filed on June 17, 2014.

The information contained under this subheading "Historical Disclosure Compliance" does not constitute operating data and annual financial information for purposes of DASNY's continuing disclosure agreement.

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

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

GENERAL INFORMATION

Description

The District, with a land area of approximately 12 square miles, includes all of the City of Binghamton (the "City") and a small portion of the Town of Dickinson (the "Town").

Major highways within and in close proximity to the District include U. S. Route #11, Interstate #81 which extends north to Canada and south to Tennessee, Interstate #88 which runs northeast to Albany, Route #86 (The Southern Tier Expressway) which runs east-west and connects with Interstate #87 north of New York City and Interstate #90 near Erie, Pennsylvania, and State Routes #7, #12 and #26. Bus service is provided to and from the District by Trailways, Greyhound Bus Lines, Megabus, and Coach USA. The County transit system provides local daily bus service.

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

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

2011 Flood Damage

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

The Local Share is estimated to be no more than \$5,000,000, as State Aid, FEMA and insurance is expected to cover approximately \$75,500,000 of the \$79,530,000 total. To date, the District has received approximately \$47.9 million in reimbursements from FEMA and \$1.68 million in insurance recoveries.

A new MacArthur Elementary School reopened for K-5 students on January 4, 2016.

See "Capital Project Plans" herein for additional details.

Population

The current estimated population of the District is 46,144. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|------------------------|---------------------|------------------|
| Binghamton University | Education | 5,943 |
| United Health Services | Healthcare | 5,428 |
| Lockheed Martin | Systems Integration | 2,700 |
| Lourdes Hospital | Healthcare | 2,311 |
| New York State | Government | 2,034 |

Five Largest Taxpayers

| <u>Name</u> | Type | Full Valuation |
|---|--------------|----------------|
| New York State Electric & Gas | Utility | \$83,652,342 |
| Our Lady of Lourdes Memorial Hospital, Inc. | Hospital | 81,593,571 |
| Norfolk Southern Corporation | Railroad | 22,376,061 |
| Binghamton Giant Market, Inc. | Food Markets | 13,825,177 |
| PCP Binghamton Assoc. LLC | Commercial | 10,078,810 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 16.2% of the tax base of the District.

Unemployment Rate Statistics

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

| Vear | Average |
|------|---------|
| | |

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|
| Broome County | 7.8% | 6.6% | 6.0% | 5.4% | 5.6% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | <u>2013-14</u> | 2014-15 | 2015-16 | 2016-17 | 2017-18 | Projected 2018-19 | Projected 2019-20 |
|------|----------------|---------|---------|---------|---------|-------------------|-------------------|
| K-12 | 5,765 | 5,707 | 5,611 | 5,388 | 5,400 | 5,400 | 5,400 |

District Employees

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

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|---|---------------------------------|
| 598 | Binghamton Teachers' Association | June 30, 2018 ⁽¹⁾ |
| 30 | Binghamton Licensed Teaching Assistants Unit | June 30, 2019 |
| 24 | Binghamton Administrators' Association | June 30, 2020 |
| 181 | Civil Service Employees' Association | June 30, 2018 |
| 222 | Civil Service Employees' Association - Aides & Monitors | June 30, 2019 |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| | Based on Conventional Equalization <u>Rates</u> | Based On Special Equalization <u>Ratios</u> |
|--|--|--|
| Five Year Average Full Valuation of Taxable Real Property Debt Limit (5% of full valuation) (2) | \$1,519,825,199 \$75,991,260 | \$1,499,344,955 \$74,967,248 |
| Outstanding Indebtedness (3)(4) Inclusions | | |
| Bonds | \$35,075,000 | \$35,075,000 |
| Bond Anticipation Notes | 36,395,000 | 36,395,000 |
| Advance Refunded Bonds | 3,225,000 | 3,225,000 |
| Revenue Anticipation Notes | 3,500,000 | 3,500,000 |
| Total Inclusions | \$78,195,000 | \$78,195,000 |
| Exclusions | | |
| Bonds Previously Refunded | \$3,225,000 | \$3,225,000 |
| Revenue Anticipation Notes | 3,500,000 | 3,500,000 |
| Appropriations | 3,290,000 | 3,290,000 |
| Total Exclusions | \$10,015,000 | \$10,015,000 |
| Total Net Indebtedness | \$68,180,000 | \$68,180,000 |
| Net Debt Contracting Margin | \$7,811,260 | \$6,787,248 |
| Percentage of Debt Contracting Power Exhausted | 89.72% | 90.95% |

⁽¹⁾ The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$9,475,000 School District Bonds to DASNY in connection with the refunding of \$10,905,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.

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

⁽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.

⁽⁴⁾ The District has received the consent of the Board of Regents and the Office of the State Comptroller to exceed its debt limit in anticipation of the issuance of bonds and/or bond anticipation notes in an aggregate amount not to exceed \$77,843,000 for the construction of a new Elementary School. The District has also received consent to exceed its debt limit for the issuance of the \$11,100,000 bond anticipation notes that funded various improvements to District buildings and will be refunded by the School District Bonds. \$36,395,000 of bond anticipation notes included in the table above are authorized to be issued in excess of the District's debt limit.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding Indebtedness ⁽¹⁾ | Exclusions (2) | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-------------|--|----------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Broome | \$138,191,235 | \$12,221,235 | \$125,970,000 | 16.06% | \$20,230,782 |
| Town of: | | | | | |
| Dickinson | 1,393,000 | 78,000 | 1,315,000 | 18.84 | 247,746 |
| City of: | | | | | |
| Binghamton | 173,125,108 | 124,736,858 | 48,388,249 | 100.00 | 48,388,249 |
| | | | | Total | \$68,866,777 |
| | | | | | |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | Amount | Per Capita ⁽²⁾ | Percentage of Full Value ⁽³⁾ |
|--|--------------|------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$78,195,000 | \$1,694,59 | 5.14% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 147,061,777 | 3,187.02 | 9.67 |

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

⁽²⁾ Sewer and water debt.

Based on the District's current estimated population of 46,144.

⁽³⁾ Based on the District's full value of taxable real estate using regular State equalization rates for 2017-18 of \$1,520,088,802.

The District expects to deliver \$9,475,000 School District Bonds to DASNY in connection with the refunding of \$10,905,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.

Cash Flow Borrowing

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

| Fiscal Year | Amount | Type | <u>Issue Date</u> | Due Date |
|-------------|---------------|-------------|-------------------|-----------------|
| 2013-2014 | \$10,000,000 | RAN | 1/23/2014 | 7/23/2014 |
| 2013-2014 | 9,000,000 | TAN | 6/27/2014 | 1/27/2015 |
| 2014-2015 | 10,000,000 | RAN | 1/27/2015 | 6/30/2015 |
| 2014-2015 | 11,000,000 | TAN | 6/30/2015 | 1/28/2016 |
| 2015-2016 | 10,000,000 | RAN | 1/28/2016 | 6/30/2016 |
| 2015-2016 | 5,000,000 | TAN | 6/30/2016 | 1/31/2017 |
| 2016-2017 | 3,500,000 | RAN | 2/02/2017 | 6/30/2017 |
| 2017-2018 | 3,500,000 | TAN | 7/21/2017 | 12/18/2017 |
| 2017-2018 | 3,500,000 | RAN | 1/25/2018 | 1/25/2019 |

Note: The District is currently planning to issue \$3,500,000 Tax Anticipation Notes on or about July 12, 2018.

Capital Project Plans

On April 15, 2013, qualified voters of the District approved the MacArthur Replacement Capital Project ("MacArthur Project") by a margin of 1,491 to 396. See "2011 Flood Damage" herein. The 79% approval exceeded the 60% supermajority required for the project to proceed. The total project cost is estimated at \$79,530,000, with anticipated FEMA funding of \$54,632,250, State aid of \$18,210,750, insurance recoveries of \$1,687,000 and a local share of \$5,000,000 funding the MacArthur Project. The building itself will cost approximately \$34.8 million to rebuild, however, the total project costs include additional expenses such as demolition/removal of the old school, site preparation, architectural/design fees, legal fees, insurance fees, interest on debt, and other related expenses. The District has received the consent of the Board of Regents and the Office of the State Comptroller to exceed its debt limit in anticipation of the issuance of bonds and/or bond anticipation notes for the MacArthur Project.

On November 21, 2013, the District issued \$20,000,000 bond anticipation notes which represented the first phase in borrowing for the MacArthur Project, in part in anticipation of receipt of other monies, with additional borrowings to follow to meet cash flow needs of the MacArthur Project. On November 21, 2014, the notes outstanding were renewed and \$40,000,000 in new monies was added to provide additional financing for the MacArthur Project. On November 20, 2015, the District renewed a \$59,680,000 portion of the \$60,000,000 bond anticipation notes outstanding through November 18, 2016. The District issued bond anticipation notes in November 2016, together with \$1,040,000 available funds of the District and \$32,640,000 in FEMA reimbursement funds to renew a \$26,000,000 portion of the \$59,680,000 notes outstanding and maturing November 18, 2016. The District renewed these notes on November 17, 2016 which matured on November 17, 2017. The District issued \$25,490,000 bond anticipation notes on November 16, 2017, together with \$510,000 available funds of the District, to partially redeem and renew \$26,000,000 bond anticipation notes that matured November 17, 2017. The District plans to permanently finance this project after all local costs have been finalized. \$17,843,000 of the remaining authorization remains unissued to date.

On December 5, 2017, qualified voters of the District approved two propositions, (i) a \$28 million capital project that addresses reconstruction to various District buildings, which includes the use of \$4,600,000 in Capital Reserves and (ii) a \$6.7 million capital project for energy-efficiency improvements such as lighting and equipment that would increase energy savings which is expected to be paid back through energy savings. Borrowings for these projects will depend on the status of SED approval and project cash flow needs.

Federal Sequestration

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

Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, refund payments to certain state and local government filers claiming refundable credits under section 6431 of the Internal Revenue Code applicable to certain qualified bonds are subject to sequestration. This means that refund payments processed on or after October 1, 2017 and on or before September 30, 2018 will be reduced by the fiscal year 2018 sequestration rate of 6.6%, irrespective of when the amounts claimed by an issuer on any Form 8038-CP was filed with the IRS. The sequestration reduction rate will be applied unless and until a law is enacted that cancels or otherwise impacts the sequester, at which time the sequestration reduction rate is subject to change.

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

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

FINANCIAL FACTORS

General Information

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

City School District of the City of Binghamton https://emma.msrb.org/ES1071808-ES836907-ES1237971.pdf Base CUSIP: 090473

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

Real Estate Property Tax Collection Procedure

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

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

Uncollected taxes in the Town of Dickinson are returned to the County for collection about November 15 and the District receives the full amount due by April of the same fiscal year.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

Assessed Valuation Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | |
|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|--|
| City of: Binghamton | \$1,238,953,055 | \$1,234,015,028 | \$1,236,288,324 | \$1,241,090,565 | \$1,243,424,575 | |
| Towns of: Dickinson | 29,371,637 | 29,513,818 | 29,675,324 | 29,646,242 | 29,866,088 | |
| Total Assessed Valuation | \$1,268,324,692 | \$1,263,528,846 | \$1,265,963,648 | \$1,270,736,807 | \$1,273,290,663 | |
| State Fauglization Dates | | | | | | |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| City of: | | | | | |
| Binghamton | 83.00% | 83.00% | 83.00% | 86.00% | 84.00% |
| Towns of: | | | | | |
| Dickinson | 65.00 | 71.50 | 72.50 | 75.00 | 75.00 |
| Taxable Full | | | | | |
| Valuation | \$1,537,901,658 | \$1,528,043,161 | \$1,530,435,486 | \$1,482,656,887 | \$1,520,088,802 |

Special State Equalization Ratios Years Ending June 30,

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| City of: | | | | | |
| Binghamton | 83.48% | 83.64% | 86.63% | 85.68% | 84.91% |
| Towns of: | | | | | |
| Dickinson | 71.40 | 71.96 | 73.57 | 72.78 | 72.59 |
| Taxable Full | | | | | |
| Valuation | \$1,523,850,447 | \$1,522,109,126 | \$1,464,582,801 | \$1,483,687,553 | \$1,502,494,850 |

Note: Special Equalization Ratios for the 2017 Assessment Roll (2017-18 District Tax Roll) are not available until June 30, 2018.

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$39,462,133 | \$40,625,810 | \$41,102,091 | \$41,977,988 | \$41,977,988 |
| % Uncollected When Due ⁽¹⁾ | 14.7% | 11.9% | 6.3% | 11.9% | 9.1% |

⁽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, the budgeted figures for the current fiscal year and the proposed figures for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> ⁽¹⁾ | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|--|------------------------------|---|
| 2013-2014 | \$57,665,675 | \$102,921,394 | 56.03% |
| 2014-2015 | 61,032,473 | 105,202,078 | 58.01 |
| 2015-2016 | 60,845,777 | 105,523,377 | 57.66 |
| 2016-2017 | 63,859,145 | 110,100,345 | 58.00 |
| 2017-2018 (Budgeted) | 67,560,223 | 113,409,659 | 59.57 |
| 2018-2019 (Proposed) | 69,012,785 | 117,123,644 | 58.92 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|-------------|-------------|
| 2013-2014 | \$1,395,722 | \$5,362,997 |
| 2014-2015 | 1,281,151 | 5,879,510 |
| 2015-2016 | 1,105,794 | 4,624,799 |
| 2016-2017 | 945,065 | 4,200,013 |
| 2017-2018 (Budgeted) | 1,100,000 | 3,856,369 |
| 2018-2019 (Proposed) | 1,100,000 | 4,341,723 |

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

GASB 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, 2017, 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 \$145,607,959. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$145,607,959. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$81,147,522. The District's annual OPEB expense was \$13,492,446 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$2,272,960 to the Plan for the fiscal year ending June 30, 2017 to 1,306 employees, resulting in a net increase to its unfunded OPEB obligation of \$11,219,486, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$92,367,008. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – GASB and OPEB."

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

Recent Operating Results

The District's revenues exceeded its expenditures by \$3,436,654 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$4,307,473 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$6,955,252 | - | \$6,955,252 |
| 2018-2019 | 5,019,261 | \$958,771 | 5,978,032 |
| 2019-2020 | 5,009,211 | 957,000 | 5,966,211 |
| 2020-2021 | 5,010,461 | 962,000 | 5,972,461 |
| 2021-2022 | 4,994,936 | 960,500 | 5,955,436 |
| 2022-2023 | 4,974,761 | 957,750 | 5,932,511 |
| 2023-2024 | 4,956,718 | 958,750 | 5,915,468 |
| 2024-2025 | 3,658,955 | 958,250 | 4,617,205 |
| 2025-2026 | 2,489,705 | 961,250 | 3,450,955 |
| 2026-2027 | 1,429,500 | 957,500 | 2,387,000 |
| 2027-2028 | 178,250 | 957,250 | 1,135,500 |
| 2028-2029 | 176,250 | 955,250 | 1,131,500 |
| 2029-2030 | 179,000 | 956,500 | 1,135,500 |
| 2030-2031 | 176,250 | 960,750 | 1,137,000 |
| 2031-2032 | 173,250 | 622,750 | 796,000 |
| 2032-2033 | - | 619,500 | 619,500 |

APPENDIX C-7 DESCRIPTION OF CANTON CENTRAL SCHOOL DISTRICT

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

GENERAL INFORMATION

Description

The District is located in northern New York State within the Village of Canton. The Village of Potsdam is located ten miles east northeast of the District; the City of Ogdensburg is located 22 miles to the northwest and the Village of Massena 35 miles to the north northeast. The District is predominantly residential with a central business district providing a variety of retail and personal service establishments as well as business and professional offices.

Higher educational opportunities are available at St. Lawrence University and the State University of New York College at Canton, as well as at nearby SUNY Potsdam and Clarkson University, both located in the Village of Potsdam.

The major highway access to and from the District is U.S. Route #11, which connects Interstate Highway #81 sixty miles to the southwest and Interstate Highway #87 to the northeast. Air transportation is available from the Ogdensburg, Massena, Watertown and Ottawa airports. Bus transportation to the Syracuse area is available from Canton.

Population

The current estimated population of the District is 11,620. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|--------------------------|----------------------------|------------------|
| St. Lawrence County | Municipality | 813 |
| St. Lawrence University | University | 841 |
| SUNY Canton | University | 592 |
| St. Lawrence/NYSARC | Disability Learning Center | 520 |
| St. Lawrence Lewis BOCES | BOCES | 610 |

Five Largest Taxpayers

| <u>Name</u> | Type | Full Valuation |
|-------------------------|--------------|----------------|
| National Grid | Utility | \$16,071,960 |
| Corning Glass | Manufacturer | 15,679,991 |
| Iroquois Gas | Utility | 14,581,205 |
| St. Lawrence University | University | 9,912,900 |
| Pyrites Associates | Utility | 5,892,000 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 18.16% 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 St. Lawrence County.

| Year | Average |
|------|---------|
|------|---------|

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------|-------------|-------------|-------------|-------------|-------------|
| St. Lawrence County | 9.1% | 7.7% | 7.3% | 6.6% | 6.7% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | 2017-18 | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|---------|--------------------------|--------------------------|
| K-12 | 1,334 | 1,292 | 1,291 | 1,300 | 1,315 | 1,300 | 1,300 |

District Employees

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

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|--|---------------------------------|
| 111 | Canton Central School Teachers' Association | June 30, 2019 |
| 25 | Truck Drivers & Helpers Local Union No. 687 | June 30, 2020 |
| 18 | Canton Custodial Workers' Association | June 30, 2018 (1) |
| 15 | Canton Food Service Workers' Association | June 30, 2018 (1) |
| 6 | Canton Central School Secretarial Association | June 30, 2018 (1) |
| 5 | Canton Central School District Administrators | June 30, 2018 (1) |
| 19 | Canton Central School Teachers' Association - Assistants | June 30, 2019 |
| 18 | Canton Central School Aides | New – no contract |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property | \$438,312,313 43,831,231 |
|---|-----------------------------|
| Gross Indebtedness ⁽²⁾ | \$23,608,537 0 |
| Total Net Indebtedness | \$23,608,537 |
| Net Debt Contracting Margin Percentage of Debt Contracting Power Exhausted | \$20,222,694 53.86% |

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

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding <u>Indebtedness</u> (1) | Exclusions(2) | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|--------------|-------------------------------------|---------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| St. Lawrence | \$39,775,000 | \$9,500,000 | \$30,275,000 | 7.80% | \$2,361,450 |
| Town of: | | | | | |
| Canton | 0 | 0 | 0 | 96.13 | 0 |
| DeKalb | 197,752 | 197,752 | 0 | 15.58 | 0 |
| Lisbon | 0 | 0 | 0 | 7.40 | 0 |
| Oswegatchie | 0 | 0 | 0 | 0.36 | 0 |
| Pierrepont | 92,000 | 30,000 | 62,000 | 14.12 | 8,754 |
| Potsdam | 431,401 | 261,973 | 169,428 | 2.19 | 3,710 |
| Village of: | | | | | |
| Canton | 0 | 0 | 0 | 100.00 | 0 |
| | | | | Total | \$2,373,915 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$8,720,000 School District Bonds to DASNY in connection with the refunding of \$9,950,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.

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.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | Amount | Per <u>Capita⁽²⁾</u> | Percentage of Full <u>Value⁽³⁾</u> |
|--|--------------|------------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$23,608,537 | \$2,031.72 | 5.39% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 25,982,452 | 2,236.01 | 5.93 |

- (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 11,620.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$438,312,313.
- (4) The District expects to deliver \$8,720,000 School District Bonds to DASNY in connection with the refunding of \$9,950,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.

Cash Flow Borrowing

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

Capital Project Plans

On May 15, 2018, the District will present a proposition to voters in the amount of \$320,000 for the purchase of buses.

The District currently has a \$100,000 capital outlay project in the 2017-2018 budget and also a \$450,000 capital project for the renovation of bathrooms and a concession stand which is being financed through State aid and fund balance monies. The District does not anticipate financing either of these projects.

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.

Canton Central School District http://emma.msrb.org/ER1101845-ER861883-ER1262584.pdf Base CUSIP: 138398

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

By contractual agreement with the County, the District has authorized the installment payment of School Tax levies. School taxes are levied September 1st each year and, if not paid in installments, such taxes must be paid in full by September 30th.

The taxpayer may elect to pay in three monthly installments. The first installment is paid to the School Tax Collector by September 30th in an amount of one-third of the total tax levy. The second installment, plus a 2% service charge, is due by October 31st and is paid to the School Tax Collector. The third and final installment, plus a 3% service charge, is due by November 30th and is payable to the County Treasurer. If any installment is incomplete, the installment agreement becomes void.

All unpaid taxes (either in full or in installments) as of November 30 are calculated by the County Treasurer. The County Treasurer must pay the amount of unpaid taxes to the Districts, 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Canton | \$356,183,880 | \$358,696,808 | \$361,356,959 | \$363,707,115 | \$366,721,707 |
| DeKalb | 17,173,884 | 17,108,672 | 17,130,839 | 17,346,405 | 17,348,037 |
| Lisbon | 12,300,735 | 12,349,598 | 12,378,746 | 12,677,209 | 13,016,401 |
| Oswegatchie | 814,377 | 835,881 | 835,510 | 820,810 | 825,274 |
| Pierrepont | 21,473,521 | 21,793,152 | 21,897,288 | 22,010,363 | 22,150,570 |
| Potsdam | 11,940,313 | 11,883,444 | 12,136,580 | 12,400,817 | 12,606,642 |
| Total Assessed Valuation | \$419,886,710 | \$422,667,555 | \$425,735,922 | \$428,962,719 | \$432,668,631 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Canton | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| DeKalb | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Lisbon | 85.00 | 85.00 | 85.00 | 84.00 | 84.00 |
| Oswegatchie | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Pierrepont | 90.50 | 90.00 | 85.50 | 84.50 | 87.50 |
| Potsdam | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Taxable Full | | | | | |
| Valuation | \$424,311,554 | \$427,268,357 | \$431,633,982 | \$435,414,829 | \$438,312,313 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$8,432,390 | \$8,648,428 | \$9,075,017 | \$9,176,363 | \$9,428,260 |
| % Uncollected When Due ⁽¹⁾ | 5.0% | 6.0% | 6.0% | 5.0% | 4.0% |

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

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> (1) | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|-------------------------------|------------------------------|---|
| 2013-2014 | \$14,106,627 | \$23,195,944 | 60.82% |
| 2014-2015 | 16,023,677 | 25,232,554 | 63.50 |
| 2015-2016 | 16,658,631 | 26,458,274 | 62.96 |
| 2016-2017 | 17,288,140 | 27,090,200 | 63.82 |
| 2017-2018 (Budgeted) | 17,464,886 | 27,368,146 | 63.81 |
| 2018-2019 (Proposed) | 18,001,068 | 28,252,230 | 63.72 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year, and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | TRS |
|----------------------|------------|-------------|
| 2013-2014 | \$385,028 | \$1,039,419 |
| 2014-2015 | 401,250 | 1,138,698 |
| 2015-2016 | 358,521 | 991,026 |
| 2016-2017 | 521,220 | 853,907 |
| 2017-2018 (Budgeted) | 382,977 | 842,505 |
| 2018-2019 (Proposed) | 420,000 | 948,000 |

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

GASB and OPEB

The District contracted with Armory Associates, LLP to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2017, 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 \$95,777,796. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$95,777,796. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$46,287,367. The District's annual OPEB expense was \$7,604,305 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$3,129,486 to the Plan for the fiscal year ending June 30, 2017 to 136 employees, resulting in a net increase to its unfunded OPEB obligation of \$4,474,819, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$50,762,186. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$516,759 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$1,292,996 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 | Existing Debt | New Debt | Total Debt |
|-------------|----------------|----------------|----------------|
| <u>Year</u> | <u>Service</u> | <u>Service</u> | <u>Service</u> |
| 2017-2018 | \$1,751,208 | - | \$1,751,208 |
| 2018-2019 | 1,646,375 | \$869,067 | 2,515,442 |
| 2019-2020 | 1,557,962 | 871,250 | 2,429,212 |
| 2020-2021 | 1,496,039 | 868,750 | 2,364,789 |
| 2021-2022 | 1,434,817 | 865,250 | 2,300,067 |
| 2022-2023 | 1,363,894 | 865,750 | 2,229,644 |
| 2023-2024 | 1,242,306 | 865,000 | 2,107,306 |
| 2024-2025 | 1,210,281 | 868,000 | 2,078,281 |
| 2025-2026 | 1,213,781 | 869,500 | 2,083,281 |
| 2026-2027 | 1,211,231 | 864,500 | 2,075,731 |
| 2027-2028 | 1,212,781 | 868,250 | 2,081,031 |
| 2028-2029 | 933,281 | 870,250 | 1,803,531 |
| 2029-2030 | - | 865,500 | 865,500 |
| 2030-2031 | - | 869,250 | 869,250 |
| 2031-2032 | - | 871,000 | 871,000 |
| 2032-2033 | - | 540,750 | 540,750 |

APPENDIX C-8 DESCRIPTION OF CENTRAL VALLEY CENTRAL SCHOOL DISTRICT

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

GENERAL INFORMATION

Description

The District is made up of the former Ilion Central School District and the former Mohawk Central School District. Initially, an advisory referendum/straw vote on a proposed merger among the Frankfort, Herkimer, Ilion and Mohawk School Districts was held in January, 2012. The referendum was not approved by the Frankfort School District, but was approved by the other three School Districts. The Boards of Education of the Herkimer, Ilion and Mohawk School Districts decided to move forward and complete a study on a possible three-district merger. In September 2012, all three School Districts passed the advisory referendum, but Herkimer School District voted down the merger at the binding referendum on October 18, 2012. On February 12, 2013, a merger between Ilion Central School District and Mohawk Central School District passed by more than a 2 to 1 margin in both School Districts. The District officially began operation on July 1, 2013.

The District is located in central New York State, in the southern part of Herkimer County and encompasses approximately 50 square miles. The District includes various portions of the Towns of Columbia, Frankfort, German Flatts, Herkimer, Little Falls, Litchfield, and Schuyler. The City of Utica is located approximately twelve miles to the west and the City of Little Falls is located approximately two miles to the east of the District.

Major highways serving the District include U.S. Interstate #90 and New York State Route #5, #5S, #20, and #28. Major airline service is provided at the Syracuse Hancock International Airport, located approximately 60 miles to the west of the District. The District is primarily residential and agricultural with some industry in and around the Village of Ilion.

Electricity is provided by National Grid, Village of Ilion Lighting Commission, and Mohawk Municipal Corporation. Fire and ambulance protection is supplied by a fully-paid fire department and various volunteer groups. Police protection is furnished by local and State agencies.

Population

The current estimated population of the District is 14,526. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers(1)

| <u>Name</u> | <u>Type</u> | Employees |
|--|----------------------|------------------|
| Remington Arms Co., Inc. (2) | Manufacturing | 900 |
| Herkimer County | Government | 643 |
| Herkimer Area Resource Center | Services to Disabled | 400 |
| Central Valley Central School District | Public Education | 398 |
| Wal-Mart Super Center | Retail/Grocery | 380 |

(1) All employers are located within Herkimer County.

The Remington Arms Company is one of the area's largest employer, located in nearby Ilion, NY. Remington Arms manufactures sporting goods for hunting, shooting sports and fishing and is a leading rifle manufacturer in the United States. Concerns have been raised about the company's future in Ilion after the Legislature passed the NY SAFE Act banning the sale of military-style rifles, including the Bushmaster product made at the plant. In February 2014, Remington Outdoor Co., Remington Arms parent company, announced the consolidation of multiple plants into a facility in Huntsville, Alabama. In May 2014, Remington Arms confirmed that the Ilion plant's Bushmaster and R1 lines would be moved to Alabama. By November 2014, Remington Arms had laid off 231 employees. In March 2017, Remington Arms had laid off an additional 122 employees, and had recently announced in September 2017 that it would lay off an additional 55 employees. Remington Arms currently employs approximately 920 people, down from approximately 1,300 in 2013. In October 2017, the company announced plans to move forward with temporary employee furloughs in 2017 to cut costs, which include up to 11 days without pay through the end of 2017. On March 26, 2018, the company announced it would file for Chapter 11 bankruptcy. The company plans to keep operating its Ilion plant as it seeks to restructure its finances. It is not clear at this time what impact the bankruptcy reorganization might have on the future employment at the company's location in Ilion.

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|-----------------------------|--------------------------|----------------|
| National Grid | Utility | \$14,861,850 |
| Remington Arms Co., Inc. | Manufacturing | 7,647,339 |
| Dominion Transmission Corp. | Natural Gas Transmission | 4,645,006 |
| SNL Development Co. (1) | Senior Apartments | 3,750,000 |
| Colonial Manor Apartments | Subsidized Housing | 2,575,875 |

Entered into a PILOT agreement in August 2017. The PILOT amount due under the agreement is the same as the tax amount.

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 8.88% 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 Herkimer County.

| Year A | verage |
|--------|--------|
|--------|--------|

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------|-------------|-------------|-------------|-------------|-------------|
| Herkimer County | 7.8% | 6.8% | 6.2% | 5.5% | 5.8% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.6 |

Enrollment

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

| | 2013-14 | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|---------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 2,429 | 2,358 | 2,352 | 2,387 | 2,325 | 2,330 | 2,330 |

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|--|---------------------------------|
| 225 | Central Valley Teachers' Association | June 30, 2017 ⁽¹⁾ |
| 155 | Central Valley Non-Instructional Association | June 30, 2018 |
| 11 | District-Wide Employment Agreements | Various |
| 7 | Central Valley Administrators' Association | June 30, 2018 |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$466,948,619 46,694,861 |
|---|-----------------------------|
| Gross Indebtedness ⁽²⁾ | \$54,694,184 42,279,536 |
| Total Net Indebtedness | \$12,414,648 |
| Net Debt Contracting Margin | \$34,280,213 |
| Percentage of Debt Contracting Power Exhausted | 26.59% |

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

Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$16,185,000 School District Bonds to DASNY in connection with the refunding of \$18,500,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding Indebtedness ⁽¹⁾ | Exclusions ⁽²⁾ | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|---------------|--|---------------------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Herkimer | \$6,900,000 | \$0 | \$6,900,000 | 10.01% | \$690,690 |
| Towns of: | | | | | |
| Columbia | 0 | 0 | 0 | 44.76 | 0 |
| Frankfort | 0 | 0 | 0 | 5.85 | 0 |
| German Flatts | 1,021,373 | 0 | 1,021,373 | 100.00 | 1,021,373 |
| Herkimer | 888,200 | 0 | 888,200 | 1.12 | 9,948 |
| Litchfield | 0 | 0 | 0 | 0.23 | 0 |
| Little Falls | 122,083 | 0 | 122,083 | 9.04 | 11,036 |
| Schuyler | 289,078 | 0 | 289,078 | 0.37 | 1,070 |
| Villages of: | | | | | |
| Ilion | 7,978,281 | 0 | 7,978,281 | 100.00 | 7,978,281 |
| Mohawk | 3,796,058 | 0 | 3,796,058 | 100.00 | 3,796,058 |
| | | | | Total | \$13,508,456 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | | Per | Percentage of Full |
|--|---------------|-----------------------|-----------------------|
| | <u>Amount</u> | Capita ⁽²⁾ | Value ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ | \$54,694,184 | \$3,765.26 | 11.71% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 68,202,640 | 4,695.21 | 14.61 |

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

Cash Flow Borrowing

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

⁽²⁾ Information not available.

Based on the District's current estimated population of 14,526.

Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$466,948,619.

⁽⁴⁾ The District expects to deliver \$16,185,000 School District Bonds to DASNY in connection with the refunding of \$18,500,000 of the District's outstanding bond anticipation notes. 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.

Capital Project Plans

After the issuance of the Bonds, \$55,145,000 of the \$73,645,000 Capital Project for which the Bonds are being issued will remain authorized but unissued. The District anticipates borrowing an additional \$46,908,976 by the summer of 2019. The District anticipates funding the remainder of the authorization with EXCEL Aid and a cash contribution.

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 Valley Central School District https://emma.msrb.org/ER1104622-ES839002-ES1240039.pdf Base CUSIP: 155683

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. On November 1st, a list of all unpaid taxes is given to the County for relevy on County/Town tax rolls. The District is reimbursed by the County 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Columbia | \$29,588,833 | \$30,011,548 | \$30,367,993 | \$30,809,521 | \$31,201,062 |
| Frankfort | 16,429,753 | 16,669,303 | 16,652,686 | 16,578,822 | 16,708,901 |
| German Flatts | 312,937,824 | 312,856,643 | 313,725,795 | 321,890,986 | 317,957,089 |
| Herkimer | 3,720,581 | 3,796,440 | 3,822,310 | 3,921,562 | 3,844,493 |
| Litchfield | 159,875 | 171,357 | 171,827 | 172,048 | 172,381 |
| Little Falls | 5,180,944 | 5,175,256 | 5,111,592 | 5,310,461 | 5,344,928 |
| Schuyler | 538,828 | 550,260 | 553,740 | 568,229 | 542,418 |
| Total Assessed Valuation | \$368,556,638 | \$369,230,807 | \$370,405,943 | \$379,251,629 | \$375,771,272 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Columbia | 90.00% | 89.00% | 89.00% | 90.00% | 91.00% |
| Frankfort | 68.44 | 70.00 | 70.10 | 71.50 | 72.00 |
| German Flatts | 79.50 | 81.00 | 81.00 | 81.00 | 80.00 |
| Herkimer | 94.00 | 94.00 | 94.00 | 94.00 | 94.00 |
| Litchfield | 90.00 | 89.00 | 89.00 | 90.00 | 91.00 |
| Little Falls | 72.50 | 72.50 | 74.00 | 74.00 | 75.00 |
| Schuyler | 90.00 | 90.00 | 90.00 | 90.00 | 90.00 |
| Taxable Full | | | | | |
| Valuation | \$462,395,560 | \$455,757,883 | \$456,974,923 | \$466,986,944 | \$466,948,619 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$8,150,187 | \$8,269,000 | \$8,390,000 | \$8,306,200 | \$8,446,000 |
| % Uncollected When Due ⁽¹⁾ | 10.91% | 11.58% | 11.74% | 10.79% | 10.66% |

⁽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 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> ⁽¹⁾ | Total <u>Revenues</u> ⁽¹⁾ | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|--|---|---|
| 2013-2014 | \$32,443,325 | \$41,735,284 | 77.74% |
| 2014-2015 | 35,113,714 | 45,111,273 | 77.84 |
| 2015-2016 | 36,277,935 | 46,048,544 | 78.78 |
| 2016-2017 | 36,707,041 | 46,152,521 | 79.53 |
| 2017-2018 (Budgeted) | 35,932,745 | 44,975,000 | 79.89 |
| 2018-2019 (Proposed) | 37,856,159 | 47,500,000 | 79.70 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|-------------|
| 2013-2014 | \$645,444 | \$2,177,681 |
| 2014-2015 | 605,863 | 2,562,186 |
| 2015-2016 | 490,646 | 1,905,085 |
| 2016-2017 | 496,999 | 1,674,121 |
| 2017-2018 (Budgeted) | 600,000 | 2,050,000 |
| 2018-2019 (Proposed) | 600,000 | 1,900,000 |

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

GASB 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, 2016, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$83,106,203. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$83,106,203. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$39,791,071. The District's annual OPEB expense was \$6,791,885 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$2,617,905 to the Plan for the fiscal year ending June 30, 2017 to 453 employees, resulting in a net increase to its unfunded OPEB obligation of \$4,173,980, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$43,965,051. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 financial statements. The District has reserved \$350,000 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 \$252,986 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$1,920,805 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|---------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$4,513,323 | - | \$4,513,323 |
| 2018-2019 | 3,618,370 | \$1,666,340 | 5,284,710 |
| 2019-2020 | 3,283,046 | 1,680,831 | 4,963,877 |
| 2020-2021 | 3,026,731 | 1,630,581 | 4,657,312 |
| 2021-2022 | 3,025,281 | 1,615,581 | 4,640,862 |
| 2022-2023 | 3,039,031 | 1,594,081 | 4,633,112 |
| 2023-2024 | 3,045,181 | 1,586,331 | 4,631,512 |
| 2024-2025 | 2,593,581 | 1,566,581 | 4,160,162 |
| 2025-2026 | 1,465,731 | 1,550,331 | 3,016,062 |
| 2026-2027 | 683,000 | 1,532,331 | 2,215,331 |
| 2027-2028 | 683,500 | 1,517,581 | 2,201,081 |
| 2028-2029 | 682,500 | 1,495,831 | 2,178,331 |
| 2029-2030 | - | 1,522,331 | 1,522,331 |
| 2030-2031 | - | 1,494,581 | 1,494,581 |
| 2031-2032 | - | 1,455,081 | 1,455,081 |
| 2032-2033 | - | 1,429,331 | 1,429,331 |
| 2033-2034 | - | 201,581 | 201,581 |

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.

Population

The current estimated population of the District is 3,712. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|-------------------------------------|-------------------------------|------------------|
| Cincinnatus Central School District | Public Education | 198 |
| Cincinnatus True Value & Grocery | Hardware/Lumber/Grocery Store | 32 |
| Magro's Pizza | Restaurant | 15 |
| S&D Petroleum | Fuel Station/Mini-Mart | 13 |
| McKee Equipment | Auto Parts Store | 10 |

Five Largest Taxpayers

| <u>Name</u> | Type | Full Valuation |
|---|-------------|----------------|
| New York State Electric & Gas Corporation | Utility | \$ 6,076,313 |
| Frontier | Utility | 2,172,785 |
| Riverside Dairy | Farm | 1,750,900 |
| Cincinnatus Home Center, LLC | Business | 860,300 |
| Frederick Briggs | Dairy Farm | 409,900 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 6.51% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) are Cortland, Chenango and Broome Counties.

| | Year Average | | | | |
|-----------------|--------------|-------------|-------------|-------------|-------------|
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Cortland County | 7.7% | 6.5% | 5.9% | 5.7% | 5.9% |
| Chenango County | 7.3 | 6.2 | 5.5 | 5.0 | 5.4 |
| Broome County | 7.8 | 6.6 | 6.0 | 5.4 | 5.6 |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | • | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|----------------|-----|--------------------------|
| K-12 | 586 | 621 | 592 | 583 | 580 | 580 | 580 |

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.

| Number of | | Contract |
|------------------|--|------------------------|
| Employees | Bargaining Unit | Expiration Date |
| 83 | Cincinnatus Educators' Staff | June 30, 2018 (1) |
| 51 | Cincinnatus Support Staff Association | June 30, 2018 (1) |
| 3 | Cincinnatus Administrators Association | June 30, 2020 |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | |
|---|--------------|
| Deat Ellint (10/0 of 1 till 4 titution) | |
| Gross Indebtedness ⁽²⁾ | \$17,869,000 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | \$17,869,000 |
| Net Debt Contracting Margin | \$3,737,188 |
| Percentage of Debt Contracting Power Exhausted | |

- (1) The District has not incurred any indebtedness since the date of this table.
- 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 \$7,330,000 School District Bonds to DASNY in connection with the refunding of \$8,340,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- 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 2016 fiscal year of the respective municipalities.

| TI*4 | Outstanding | E1(2) | Net | % Within | Applicable Net |
|---------------------|------------------------------------|----------------|---------------------|-----------------|---------------------|
| <u>Unit</u> | <u>Indebtedness</u> ⁽¹⁾ | Exclusions (2) | <u>Indebtedness</u> | <u>District</u> | <u>Indebtedness</u> |
| Counties of: | | | | | |
| Cortland | \$29,373,680 | \$5,557,687 | \$23,815,993 | 5.67% | \$1,350,367 |
| Chenango | - | - | - | 3.17 | - |
| Broome | 138,191,235 | 12,221,235 | 125,970,000 | 0.01 | 12,597 |
| Towns of: | | | | | |
| Cincinnatus | 189,758 | - | 189,758 | 99.09 | 188,031 |
| Cuyler | - | - | - | 4.26 | - |
| Freetown | 40,000 | - | 40,000 | 16.23 | 6,492 |
| Marathon | 19,310 | - | 19,310 | 0.14 | 27 |
| Solon | - | - | - | 12.38 | - |
| Taylor | - | - | - | 99.82 | - |
| Truxton | - | - | - | 0.50 | - |
| Willet | 20,000 | - | 20,000 | 80.87 | 16,174 |
| German | - | - | - | 93.90 | - |
| Lincklaen | - | - | - | 3.02 | - |
| McDonough | - | - | - | 0.13 | - |
| Pharsalia | - | - | - | 23.17 | - |
| Pitcher | - | - | - | 73.73 | - |
| Triangle | - | - | - | 0.57 | |
| | | | | Total | \$1,573,688 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | <u>Amount</u> | Per <u>Capita⁽²⁾</u> | Percentage of Full <u>Value⁽³⁾</u> |
|--|---------------|------------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ Gross Indebtedness Plus Net Overlapping Indebtedness | \$17,869,000 | \$4,813.85 | 8.27% |
| | 19,442,688 | 5,237.79 | 9.00 |

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

⁽²⁾ Sewer and water debt.

Based on the District's current estimated population of 3,712.

⁽³⁾ Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$216,061,879.

The District expects to deliver \$7,330,000 School District Bonds to DASNY in connection with the refunding of \$8,340,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District has not found it necessary to issue revenue anticipation notes in the recent past. The District does not anticipate issuing revenue anticipation notes in the foreseeable future.

Capital Project Plans

The District expects to issue \$206,000 of serial bonds in summer 2018 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.

Cincinnatus Central School District https://emma.msrb.org/ER1103881-ER863299-ER1263998.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 the Counties 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.

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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Cincinnatus | \$45,259,052 | \$45,664,147 | \$45,530,756 | \$45,348,691 | \$45,433,474 |
| Cuyler | 1,785,432 | 2,392,980 (1) | 2,377,276 | 2,377,052 | 2,332,241 |
| Freetown | 5,447,345 | 5,417,967 | 5,399,697 | 5,411,687 | 5,513,243 |
| Marathon | 112,700 | 135,000 (1) | 135,735 | 136,348 | 137,146 |
| Solon | 6,029,994 | 6,106,896 | 6,098,161 | 6,025,113 | 6,501,556 |
| Taylor | 27,066,164 | 27,180,611 | 27,282,065 | 27,518,961 | 27,808,101 |
| Truxton | 372,230 | 364,790 | 357,700 | 351,630 | 351,770 |
| Willet | 34,802,956 | 34,962,391 | 35,104,736 | 35,189,384 | 35,395,948 |
| German | 14,844,123 | 14,895,808 | 15,005,228 | 15,184,251 | 15,249,659 |
| Lincklaen | 577,607 | 578,352 | 561,144 | 562,131 | 556,317 |
| McDonough | 68,500 | 68,500 | 68,500 | 68,500 | 68,500 |
| Pharsalia | 6,902,256 | 6,830,217 | 6,729,293 | 6,663,050 | 6,687,854 |
| Pitcher | 13,453,794 | 13,642,774 | 13,633,342 | 13,707,351 | 13,620,711 |
| Triangle | 442,565 | 970,500 (1) | 970,500 | 1,021,100 | 1,037,300 |
| Total Assessed Valuation | \$157,164,718 | \$159,210,933 | \$159,254,133 | \$159,565,249 | \$160,693,820 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|----------------|----------------|----------------|----------------|----------------|
| Towns of: | | | | | |
| Cincinnatus | 93.00% | 93.00% | 93.00% | 87.00% | 87.00% |
| Cuyler | 76.50 | $100.00^{(1)}$ | 100.00 | 100.00 | 100.00 |
| Freetown | 100.00 | 93.00 | 93.00 | 93.00 | 95.00 |
| Marathon | 92.00 | $100.00^{(1)}$ | 99.50 | 99.50 | 99.50 |
| Solon | 96.00 | 93.00 | 92.00 | 92.50 | 95.00 |
| Taylor | 92.00 | 92.00 | 92.00 | 85.00 | 84.00 |
| Truxton | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Willet | 99.00 | 96.00 | 90.00 | 88.00 | 90.00 |
| German | 45.50 | 44.00 | 45.50 | 46.00 | 46.50 |
| Lincklaen | 66.00 | 58.75 | 57.75 | 57.95 | 55.80 |
| McDonough | 79.81 | 73.53 | 76.00 | 77.28 | 78.19 |
| Pharsalia | 53.75 | 50.26 | 50.70 | 51.82 | 56.60 |
| Pitcher | 47.00 | 46.00 | 48.00 | 48.00 | 46.64 |
| Triangle | 63.00 | $100.00^{(1)}$ | 100.00 | 100.00 | 100.00 |
| Taxable Full | | | | | |
| Valuation | \$ 203,551,530 | \$ 209,499,798 | \$ 209,609,833 | \$ 216,190,541 | \$ 216,061,879 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$3,497,952 | \$3,582,092 | \$3,689,555 | \$3,674,331 | \$3,709,010 |
| % Uncollected When Due ⁽¹⁾ | 23.29% | 24.46% | 23.35% | 23.33% | 22.12% |

⁽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 payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid⁽¹⁾</u> | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|---|------------------------------|---|
| 2013-2014 | \$9,502,615 | \$13,387,134 | 70.98% |
| 2014-2015 | 9,883,658 | 13,818,278 | 71.53 |
| 2015-2016 | 10,096,343 | 14,101,778 | 71.60 |
| 2016-2017 | 10,372,923 | 14,386,714 | 72.10 |
| 2017-2018 (Budgeted) | 11,027,643 | 14,858,353 | 74.22 |
| 2018-2019 (Proposed) | 11,795,680 | 16,388,737 | 71.97 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year, and the proposed payments for the 2018-2019 fiscal year are as follows:

| ERS | <u>TRS</u> |
|-----------|---|
| \$176,945 | \$722,961 |
| 137,430 | 819,663 |
| 155,167 | 665,130 |
| 110,752 | 559,787 |
| 177,207 | 640,812 |
| 179,477 | 708,712 |
| | \$176,945 137,430 155,167 110,752 177,207 |

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

GASB 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, 2017, 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 \$22,814,607. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$22,814,607. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$9,191,484. The District's annual OPEB expense was \$1,803,276 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$550,540 to the Plan for the fiscal year ending June 30, 2017 to, resulting in a net increase to its unfunded OPEB obligation of \$1,252,736, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$10,444,220. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$170,333 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$617,532 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 | Existing Debt | New Debt | Total Debt |
|-------------|----------------------|-----------------|-------------------|
| <u>Year</u> | <u>Service</u> | <u>Service</u> | <u>Service</u> |
| 2017-2018 | \$ 1,690,237 | - | \$1,690,237 |
| 2018-2019 | 1,695,910 | \$487,558 | 2,183,468 |
| 2019-2020 | 1,662,756 | 756,250 | 2,419,006 |
| 2020-2021 | 1,616,403 | 756,750 | 2,373,153 |
| 2021-2022 | 1,573,294 | 756,250 | 2,329,544 |
| 2022-2023 | 1,533,853 | 754,750 | 2,288,603 |
| 2023-2024 | 429,206 | 752,250 | 1,181,456 |
| 2024-2025 | 261,406 | 753,750 | 1,015,156 |
| 2025-2026 | 100,906 | 759,000 | 859,906 |
| 2026-2027 | 103,106 | 752,750 | 855,856 |
| 2027-2028 | 99,856 | 755,500 | 855,356 |
| 2028-2029 | 101,606 | 751,750 | 853,356 |
| 2029-2030 | 103,106 | 751,750 | 854,856 |
| 2030-2031 | 99,356 | 755,250 | 854,606 |
| 2031-2032 | 100,606 | 757,000 | 857,606 |
| 2032-2033 | 101,606 | 462,000 | 563,606 |
| 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-10 DESCRIPTION OF CLARENCE CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-10 a brief description of the Clarence Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District, which comprises an area of approximately 60 square miles, is located in the northeastern portion of Erie County (the "County") about six miles east of Buffalo. On a valuation basis, the District includes almost 90% of the Town of Clarence, about 14% of the Town of Newstead and minor portions of the Towns of Amherst and Lancaster. The District is primarily residential in character, with some commercial and industrial activity. Residential development consists primarily of single family homes; commercial and industrial development includes sizable shopping centers, nationally-known department stores and industrial parks. Major airlines operate from the Buffalo Niagara International Airport; the State Thruway and several railroads also serve the area.

Population

The current estimated population of the District is 29,067. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|--|--------------------------|------------------|
| Clarence Central School District | Public Education | 687 |
| Brothers of Mercy Nursing & Rehab Center | Health Care | 536 |
| Integer (formally Wilson Greatbatch Ltd) | Medical Equipment | 386 |
| | Manufacturer | |
| Innovative Concepts in Entertainment, Inc. | Arcade Game Manufacturer | 210 |
| Town of Clarence | Local Government | 160 |

Five Largest Taxpayers

| <u>Name</u> | Type | Full Valuation |
|-------------------------------|-------------|----------------|
| NYS Electric & Gas Corp. | Utility | \$28,997,235 |
| National Fuel Gas Dist. Corp. | Utility | 18,073,238 |
| MDC Eastern Hills LLC | Retail | 18,018,600 |
| Coventry Green LLC | Apartments | 14,600,000 |
| Transitown Plaza Associates | Retail | 10,484,000 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 4.13% of the tax base of the District.

Unemployment Rate Statistics

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

| Year | Average |
|------|---------|
|------|---------|

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|
| Erie County | 7.4% | 6.1% | 5.3% | 4.9% | 5.2% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.6 |

Enrollment

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

| | 2013-14 | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | • | Projected <u>2019-20</u> |
|------|---------|----------------|----------------|----------------|----------------|-------|--------------------------|
| K-12 | 4,726 | 4,597 | 4,497 | 4,459 | 4,363 | 4,311 | 4,248 |

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|-------------------------------------|------------------------------------|
| 370 | New York State United Teachers | June 30, 2021 |
| 325 | Civil Service Employees Association | June 30, 2020 |
| 14 | Clarence Administrators Association | June 30, 2019 |

In addition, the Superintendent has an individual contract with the District which expires on June 30, 2022.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$3,194,077,455 319,407,746 |
|---|--------------------------------|
| Gross Indebtedness ⁽²⁾ | \$55,235,000 0 |
| Total Net Indebtedness | \$55,235,000 |
| Net Debt Contracting Margin | \$264,172,746 |
| Percentage of Debt Contracting Power Exhausted | 17.29% |

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

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding <u>Indebtedness</u> (1) | Exclusions ⁽²⁾ | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-------------|-------------------------------------|---------------------------|----------------------------|-----------------------------|--|
| County of: | | | | | |
| Erie | \$591,247,523 | \$68,404,127 | \$522,843,396 | 6.15% | \$32,139,214 |
| Town of: | | | | | |
| Amherst | 102,859,299 | 11,221,848 | 91,637,451 | 1.30 | 1,191,984 |
| Clarence | 26,986,000 | 1,410,000 | 25,576,000 | 82.49 | 21,097,005 |
| Lancaster | 25,289,886 | 5,369,000 | 19,920,886 | 2.13 | 423,474 |
| Newstead | 10,730,587 | 9,062,035 | 1,668,552 | 21.38 | 356,803 |
| | | | | Total | \$55,208,479 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

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 \$25,780,000 School District Bonds to DASNY in connection with the refunding of \$28,780,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.

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.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | <u>Amount</u> | Per <u>Capita⁽²⁾</u> | Percentage of Full <u>Value⁽³⁾</u> |
|--|---------------|------------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$55,235,000 | \$1,900.26 | 1.73% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 110,443,479 | 3,799.62 | 3.46% |

- (1) The District has not incurred any indebtedness since the date of the above table.
- Based on the District's current estimated population of 29,067.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$3,194,077,455.
- (4) The District expects to deliver \$25,780,000 School District Bonds to DASNY in connection with the refunding of \$28,780,000 of the District's outstanding bond anticipation notes. 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 following is a history of Tax Anticipation Note ("TAN") and Revenue Anticipation Note ("RAN") borrowings for the last five years.

| Fiscal Year | Amount | Type | <u>Issue Date</u> | Due Date |
|-------------|---------------|-------------|-------------------|-----------------|
| 2013-2014 | \$12,500,000 | TAN | 7/18/2013 | 6/26/2014 |
| 2014-2015 | 12,500,000 | TAN | 7/17/2014 | 6/25/2015 |
| 2015-2016 | 12,000,000 | TAN | 7/16/2015 | 6/28/2016 |
| 2016-2017 | 0 | N/A | N/A | N/A |
| 2017-2018 | 0 | N/A | N/A | N/A |

The District did not issue Tax Anticipation Notes in the last fiscal year and does not expect to issue such notes in the current fiscal year.

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.

Clarence Central School District http://emma.msrb.org/ER1097407-ER858647-ER1259325.pdf Base CUSIP: 180312

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 15th. There is no penalty charge for the first thirty days after taxes are due, but a 7.5% penalty is charged from October 16th to November 1st, and a 9% penalty is added for taxes paid between November 2nd and November 30th. On or about December 1st, uncollected taxes are returnable to the 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Towns of: | | | | | |
| Amherst | \$93,572,964 | \$98,682,860 | \$97,603,688 | \$97,654,565 | \$116,256,130(1) |
| Clarence | 2,559,789,496 | 2,604,626,456 | 2,803,567,665 | 2,844,595,099 | 2,893,195,625 |
| Lancaster | 55,526,363 | 55,573,657 | 53,801,198 | 54,888,584 | 55,761,957 |
| Newstead | 107,133,812 | 109,063,204 | 111,946,463 | 119,170,105 | 114,093,687 |
| Total Assessed | | | | | |
| Valuation | \$2,816,022,635 | \$2,867,946,177 | \$3,066,919,014 | \$3,116,308,353 | \$3,179,307,399 |

⁽¹⁾ Significant change due to revaluation.

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Towns of: | | | | | |
| Amherst | 100.00% | 100.00% | 97.00% | 91.00% | 100.00% |
| Clarence | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Lancaster | 100.00 | 100.00 | 98.00 | 95.00 | 92.00 |
| Newstead | 100.00 | 100.00 | 99.00 | 98.50 | 92.00 |
| Taxable Full Valuation | \$2,816,022,635 | \$2,867,946,177 | \$3,072,166,441 | \$3,130,670,143 | \$3,194,077,455 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$41,141,334 | \$42,439,977 | \$44,068,450 | \$45,206,427 | \$46,074,075 |
| % Uncollected When Due ⁽¹⁾ | 1.89% | 1.96% | 1.79% | 2.02% | 2.26% |

⁽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 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid⁽¹⁾</u> | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|---|------------------------------|---|
| 2013-2014 | \$20,688,283 | \$69,562,154 | 29.74% |
| 2014-2015 | 21,163,015 | 74,315,302 | 28.48 |
| 2015-2016 | 22,042,078 | 73,984,614 | 29.79 |
| 2016-2017 | 24,191,584 | 76,970,590 | 31.43 |
| 2017-2018 (Budgeted) | 25,034,165 | 78,509,240 | 31.89 |
| 2018-2019 (Proposed) | 25,818,485 | 81,442,930 | 31.70 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | TRS |
|----------------------|-------------|-------------|
| 2013-2014 | \$1,524,873 | \$4,413,271 |
| 2014-2015 | 1,398,210 | 4,932,718 |
| 2015-2016 | 1,452,487 | 3,962,038 |
| 2016-2017 | 1,223,625 | 3,545,421 |
| 2017-2018 (Budgeted) | 1,600,000 | 3,900,000 |
| 2018-2019 (Proposed) | 1,360,000 | 4,200,000 |

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

GASB and **OPEB**

The District contracted with Burke Group to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 75. The first actuarial valuation under GASB 75 was completed for the fiscal year ending June 30, 2017. Prior valuations performed under GASB 45 guidelines have not been restated and are not reflected in historic exhibits. The last full valuation was done for the fiscal year ending June 30, 2015 under GASB 45 guidelines. An interim valuation was done for the fiscal year ending June 30, 2016 under GASB 45. The following outlines the changes to the Total OPEB Liability during the fiscal year, by source.

| Total OPEB Liability at June 30, 2016: | \$3,704,357 |
|--|-------------|
| Changes for the Year: | |
| Service cost | \$155,052 |
| Interest | 125,084 |
| Differences between expected and actual experience | 250,489 |
| Changes in assumptions or other inputs | (152,275) |
| Benefit payments | (125,554) |
| Net changes | \$252,796 |
| Total OPEB Liability at June 30, 2017: | \$3,957,153 |

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 \$1,194,880 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$5,894,400 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|---------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$4,963,900 | - | \$4,963,900 |
| 2018-2019 | 4,967,300 | \$2,560,019 | 7,527,319 |
| 2019-2020 | 4,959,500 | 2,559,850 | 7,519,350 |
| 2020-2021 | 4,976,400 | 2,561,650 | 7,538,050 |
| 2021-2022 | 3,779,037 | 2,556,050 | 6,335,087 |
| 2022-2023 | 801,787 | 2,558,250 | 3,360,037 |
| 2023-2024 | 795,287 | 2,557,850 | 3,353,137 |
| 2024-2025 | 752,787 | 2,562,850 | 3,315,637 |
| 2025-2026 | 609,550 | 2,558,350 | 3,167,900 |
| 2026-2027 | 498,750 | 2,554,600 | 3,053,350 |
| 2027-2028 | - | 2,556,350 | 2,556,350 |
| 2028-2029 | - | 2,558,100 | 2,558,100 |
| 2029-2030 | = | 2,559,600 | 2,559,600 |
| 2030-2031 | = | 2,563,400 | 2,563,400 |
| 2031-2032 | = | 2,428,400 | 2,428,400 |

Historical Disclosure Compliance

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

• The District did fail to file the required material event notice related to bond insurer rating changes in a timely manner. The required material event and failure to file notice were filed on June 18, 2014.

The information contained under this subheading "Historical Disclosure Compliance" does not constitute operating data and annual financial information for purposes of DASNY's continuing disclosure agreement.

APPENDIX C-11 DESCRIPTION OF CORTLAND ENLARGED CITY SCHOOL DISTRICT

There follows in this Appendix C-11 a brief description of the Cortland Enlarged City 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 lies in the western sector of Cortland County and a small portion of the northeastern sector of Tompkins County. It is approximately 30 miles south of the City of Syracuse, 20 miles northeast of the City of Ithaca and 45 miles north of the City of Binghamton.

Major highways serving the District include Interstate #81 and State highways #11, #13, #90 and #281. Transportation needs are met by various motor freight lines, Greyhound Bus Lines and various major airlines operating out of Syracuse Hancock International Airport and Tompkins County Airport in Ithaca.

The District has an estimated land area of 49 square miles. It comprises the City of Cortland (the "City") and parts of five surrounding townships. The City serves as the commercial hub for the District residents.

Population

The current estimated population of the District is 23,909. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | Type | Employees |
|--|---------------------------------|------------------|
| State University of New York at Cortland | Education | 1,100 |
| Cortland Regional Medical Center | Health Care | 800 |
| County of Cortland Government | Government | 675 |
| Pall Trinity Micro Corporation | Industrial Filters & Filtration | 670 |
| | Systems | |
| Marietta Packaging Corporation | Packaging amenities for | 650 |
| | hotel/motel chains | |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|------------------------------|----------------------|----------------|
| National Grid | Utility | \$21,471,793 |
| NYSEG | Utility | 14,398,397 |
| Walmart | Shopping | 13,300,000 |
| Cortlandville Crossing LLC | Shopping Mall | 10,411,700 |
| BRE Rook SH Walden Place LLC | Retirement Community | 10,000,000 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 11.1% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) are Cortland and Tompkins Counties (collectively, the "Counties").

| | Year Average | | | | |
|--|--------------------|--------------------|--------------------|--------------------|---------------------|
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Cortland County Tompkins County New York State | 7.7% 5.2 7.7 | 6.5% 4.4 6.3 | 5.9% 4.4 5.3 | 5.7% 4.2 4.8 | 5.9% 4.4% 4.7 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 2,641 | 2,657 | 2,488 | 2,432 | 2,424 | 2,450 | 2,450 |

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.

| Number of | | Contract |
|------------------|---------------------------------------|------------------------------|
| Employees | Bargaining Unit | Expiration Date |
| 304 | Cortland United Teachers' Association | June 30, 2018 ⁽¹⁾ |
| 197 | C.S.E.A. | June 30, 2018 ⁽¹⁾ |
| 12 | Cortland Administrators Association | June 30, 2020 |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| | Based on Conventional Equalization <u>Rates</u> | Based On Special Equalization <u>Ratios</u> |
|---|--|--|
| Five Year Average Full Valuation of Taxable Real Property Debt Limit (5% of full valuation) ⁽²⁾ | \$929,378,590 \$46,468,930 | \$933,903,247 \$46,695,162 |
| Outstanding Indebtedness ⁽³⁾ <u>Inclusions</u> Bonds Bond Anticipation Notes Total Inclusions | \$23,925,000 6,000,000 \$29,925,000 | \$23,925,000 6,000,000 \$29,925,000 |
| Exclusions Bonds Previously Refunded Appropriations Total Exclusions | \$0 <u>1,985,000</u> \$1,985,000 | \$0 |
| Total Net Indebtedness | \$27,940,000 | \$27,940,000 |
| Net Debt Contracting Margin | \$18,528,930 | \$18,755,162 |
| Percentage of Debt Contracting Power Exhausted | 60.13% | 59.83% |

- (1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$4,740,000 School District Bonds to DASNY in connection with the refunding of \$6,000,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the debt ratios as it is already accounted for in the above calculations.
- (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.

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding <u>Indebtedness</u> ⁽¹⁾ | Exclusions(2) | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|---------------|---|---------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Cortland | \$29,373,680 | \$5,557,687 | \$23,815,993 | 41.37% | \$9,852,676 |
| Tompkins | 67,553,400 | 1,277,521 | 66,275,879 | 0.01 | 6,627 |
| Town of: | | | | | |
| Cortlandville | 8,398,000 | 8,398,000 | 0 | 38.70 | 0 |
| Harford | 38,800 | 0 | 38,800 | 3.09 | 1,199 |
| Virgil | 1,273,313 | 1,195,000 | 78,313 | 85.44 | 66,911 |
| Lapeer | 55,532 | 55,532 | 0 | 2.07 | 0 |
| Dryden | 634,000 | 634,000 | 0 | 0.09 | 0 |
| City of: | | | | | |
| Cortland | 24,015,699 | 4,275,000 | 19,740,699 | 100.00 | 19,740,699 |
| | | | | Total | \$29,668,112 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | | Per | Percentage of Full |
|--|---------------|-----------------------|----------------------|
| | Amount | Capita ⁽²⁾ | Value ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ | \$29,925,000 | \$1,251.62 | 3.16% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 59,593,112 | 2,492.50 | 6.30 |

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

Cash Flow Borrowing

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

⁽²⁾ Sewer and water debt.

Based on the District's current estimated population of 23,909.

Based on the District's full value of taxable real estate using the special State equalization rates for 2017-18 of \$945,565,786.

The District expects to deliver \$4,740,000 School District Bonds to DASNY in connection with the refunding of \$6,000,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the debt ratios as it is already accounted for in the above calculations.

Capital Project Plans

On December 13, 2017, the qualified voters of the District approved a \$6,500,000 capital improvement project consisting of renovations to the Junior/Senior High School auditorium and entrance. The District does not plan to begin borrowing for this project until fall 2018.

The District historically issues serial bonds on an annual basis to finance replacement of aging student transport vehicles. In May of 2018 the District's voters will consider a proposition to approve the issuance of serial bonds in the par amount of \$551,000 for such purposes.

School District Buildings

In 2017, the District's Board of Education hired a consultant firm to study the District's facilities and determine where cost-saving measures could be implemented. After reviewing the study, the Board is considering the possibility of closing two schools: Parker Elementary School and Virgil Elementary School. The District expects that savings from the school closings would alleviate the need to continue to use reserve funds to balance its budgets. No decision has been made at this time to close either school.

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.

Cortland Enlarged City School District https://emma.msrb.org/ES1110084-ER866868-ER1267547.pdf Base CUSIP: 220660

On the most current applicable report of the State Comptroller the District is classified as "moderate fiscal stress."

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 July, and collects such taxes, which are due during August without penalty. However, payment may be made in two equal installments (1st installment due by August 31st and 2nd installment due by February 28th). Penalties for delinquent taxes are as follows:

1% per month or part thereof retroactive to August 1 for late payment of 1st installment taxes after August 31st but paid on or prior to February 28th. As of March 1st, penalties are computed at 1% per month for each month or part thereof plus a 5% penalty levied on the amount of the tax and the interest added thereto.

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 from the City during the next fiscal year.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

Assessed Valuation Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| City of: | | | | | |
| Cortland | \$533,855,371 | \$533,683,034 | \$534,055,669 | \$533,544,019 | \$532,879,328 |
| Towns of: | | | | | |
| Cortlandville | 222,149,664 | 222,703,408 | 225,082,908 | 226,188,490 | 231,646,374 |
| Virgil | 154,159,656 | 156,057,959 | 157,628,288 | 158,895,172 | 160,135,629 |
| Harford | 1,789,778 | 1,790,347 | 1,790,866 | 1,816,413 | 1,827,981 |
| Lapeer | 1,056,910 | 1,018,210 | 1,602,990 | 1,565,900 | 1,534,470 |
| Dryden | 771,475 | 781,654 | 781,633 | 827,565 | 827,559 |
| Total Assessed Valuation | \$913,782,854 | \$916,034,612 | \$920,942,354 | \$922,837,559 | \$928,851,341 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------|---------------|---------------|---------------|---------------|---------------|
| City of: | | | | | |
| Cortland | 100.00% | 100.00% | 98.00% | 97.00% | 97.00% |
| Towns of: | | | | | |
| Cortlandville | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Virgil | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Harford | 100.00 | 100.00 | 100.00 | 89.00 | 89.00 |
| Lapeer | 92.00 | 100.00 | 99.50 | 99.50 | 99.50 |
| Dryden | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Taxable Full | | | | | |
| Valuation | \$913,874,759 | \$916,034,612 | \$931,849,505 | \$939,571,290 | \$945,565,786 |

Special State Equalization Ratios Years Ending June 30,

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------|---------------|---------------|---------------|---------------|---------------|
| City of: | | | | | |
| Cortland | 100.13% | 98.03% | 97.08% | 96.24% | 95.36% |
| Towns of: | | | | | |
| Cortlandville | 100.56 | 100.22 | 99.99 | 99.28 | 98.61 |
| Virgil | 104.32 | 99.99 | 100.17 | 99.64 | 98.89 |
| Harford | 99.95 | 100.16 | 87.52 | 84.73 | 82.25 |
| Lapeer | 76.05 | 75.64 | 98.57 | 94.91 | 91.84 |
| Dryden | 96.37 | 96.27 | 94.12 | 94.45 | 96.81 |
| Taxable Full | | | | | |
| Valuation | \$914,156,977 | \$924,406,326 | \$932,163,208 | \$944,460,870 | \$954,328,857 |

Note: Special Equalization Ratios for the 2017 Assessment Roll (2017-18 District Tax Roll) are not available until June 30, 2018.

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$16,162,674 | \$16,631,392 | \$17,006,932 | \$17,006,932 | \$17,006,932 |
| % Uncollected When Due ⁽¹⁾ | 2.90% | 7.63% | 6.73% | 6.51% | 7.89% |

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

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> (1) | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|-------------------------------|------------------------------|---|
| 2013-2014 | \$23,797,804 | \$41,087,416 | 57.92% |
| 2014-2015 | 24,108,463 | 41,952,560 | 57.47 |
| 2015-2016 | 25,929,643 | 44,307,077 | 58.52 |
| 2016-2017 | 26,978,789 | 45,475,057 | 59.33 |
| 2017-2018 (Budgeted) | 28,706,663 | 47,223,745 | 60.79 |
| 2018-2019 (Proposed) | 28,530,388 | 47,052,010 | 60.64 |

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|-------------|
| 2013-2014 | \$845,373 | \$2,072,990 |
| 2014-2015 | 791,786 | 2,685,851 |
| 2015-2016 | 767,850 | 2,913,063 |
| 2016-2017 | 647,257 | 2,467,073 |
| 2017-2018 (Budgeted) | 725,000 | 2,000,000 |
| 2018-2019 (Proposed) | 700,000 | 2,000,000 |

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

GASB 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, 2017, 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 \$107,259,378. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$107,259,378. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$49,389,002. The District's annual OPEB expense was \$10,806,374 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$8,681,932 to the Plan for the fiscal year ending June 30, 2017 to 485 employees, resulting in a net increase to its unfunded OPEB obligation of \$2,124,442, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$51,513,444. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$1,918,891 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$359,993 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 <u>Year</u> | Existing Debt Service | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|--------------------------|----------------------------|------------------------------|
| 2017-2018 | \$3,502,983 | _ | \$3,502,983 |
| 2018-2019 | 3,500,438 | \$487,050 | 3,987,488 |
| 2019-2020 | 3,375,959 | 488,250 | 3,864,209 |
| 2020-2021 | 3,367,416 | 485,250 | 3,852,666 |
| 2021-2022 | 3,368,419 | 486,750 | 3,855,169 |
| 2022-2023 | 3,224,800 | 487,500 | 3,712,300 |
| 2023-2024 | 3,117,250 | 487,500 | 3,604,750 |
| 2024-2025 | 3,114,500 | 486,750 | 3,601,250 |
| 2025-2026 | 3,120,250 | 485,250 | 3,605,500 |
| 2026-2027 | 323,750 | 488,000 | 811,750 |
| 2027-2028 | 319,750 | 479,750 | 799,500 |
| 2028-2029 | 320,250 | 486,000 | 806,250 |
| 2029-2030 | - | 486,000 | 486,000 |
| 2030-2031 | - | 485,000 | 485,000 |
| 2031-2032 | - | 483,000 | 483,000 |

Historical Disclosure Compliance

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

• In fiscal year 2009, an additional new base CUSIP number 220651 was assigned to the District by the CUSIP Bureau. Due to clerical oversight, the District's applicable annual disclosure filings and material event notices for fiscal years ending June 30, 2009 through 2013 were only filed with the Electronic Municipal Market Access ("EMMA") under the District's original base CUSIP Number 220660. The error has been identified and corrected and as such, the District has reassigned all prior applicable annual disclosure filings and event notices to appear under both base CUSIP numbers on EMMA. A failure to file notes was filed on May 6, 2014.

The information contained under this subheading "Historical Disclosure Compliance" does not constitute operating data and annual financial information for purposes of DASNY's continuing disclosure agreement.

APPENDIX C-12 DESCRIPTION OF DUANESBURG CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-12 a brief description of the Duanesburg 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 western part of Schenectady County with the Schoharie Creek forming the western boundary. The surrounding counties are Albany to the South, Schoharie to the West, and Montgomery to the North. Small portions of the District extend into each of the surrounding counties. The largest part of the District lies within the Town of Duanesburg. In addition, the Village of Delanson and the Hamlet of Quaker Street lie wholly within District boundaries.

The District is primarily rural. Homes and small farms make up a majority of District properties. A small business district is located in the heart of Duanesburg.

Bus service is provided by the Capital District Transportation Authority. The Norfolk Southern Railroad, one of the largest taxpayers in the District, maintains a siding in Delanson.

Many residents of the District are employed in the urban areas of Schenectady and Albany. The General Electric Company, located in Schenectady, and the State Government are the largest employers in the area. Duanesburg is linked to the Capital District by Interstates #88 and #90 and New York State Routes #20 and #7.

Fire protection and emergency health care are provided by the local volunteer fire companies. Duanesburg, Delanson, and Quaker Street each maintain a fire company. New York State Troopers and the Schenectady County Sheriff provide police protection and are stationed in nearby Princetown.

Population

The current estimated population of the District is 5,107. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| Name (1) | <u>Type</u> | Employees |
|--------------------------|------------------------------------|------------------|
| United States (2) | Government | 8,092 |
| General Electric Company | Research/Manufacturing/Engineering | 3,900 |
| Ellis Medicine | Hospital/Medical Facilities | 3,400 |
| County of Schenectady | Government | 1,305 |
| Golub Corporation | Food Distribution | 900 |

⁽¹⁾ Employers are within close proximity to the District.

⁽²⁾ Includes all employees for Albany County.

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Assessed Valuation |
|---------------------------|---------------------------|---------------------------|
| National Grid | Utility | \$3,279,538 |
| Norfolk Southern Railroad | Railroad | 956,212 |
| Martins Foods | Commercial | 920,000 |
| Hillcrest Park LLC | Residential/Trailer Court | 592,250 |
| 500 Duanesburg Road LLC | Building Supply | 480,000 |

The total estimated assessed valuation of the top **ten (10)** taxpayers represents approximately 5.73% 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 Schenectady County.

| | Year Average | | | | |
|--------------------|--------------|-------------|-------------|-------------|-------------|
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Schenectady County | 6.7% | 5.3% | 4.7% | 4.3% | 4.5% |
| Montgomery County | 9.2 | 7.5 | 6.6 | 5.7 | 5.8 |
| Albany County | 6.1 | 4.9 | 4.3 | 4.1 | 4.3 |
| Schoharie County | 8.1 | 6.7 | 5.8 | 5.4 | 5.5 |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | 2017-18 | · · | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|---------|-----|--------------------------|
| K-12 | 799 | 753 | 734 | 717 | 699 | 689 | 670 |

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.

| Number of Employees | Bargaining Unit | Contract Expiration Date |
|------------------------|--|-----------------------------|
| 73 | Duanesburg Teachers' Association | June 30, 2020 |
| 56 | Duanesburg Educational Support Association | June 30, 2020 |

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$397,777,793 39,777,779 |
|---|-----------------------------|
| Gross Indebtedness ⁽²⁾ | \$16,981,244 0 |
| Total Net Indebtedness | \$16,981,244 |
| Net Debt Contracting Margin | \$22,796,535 |
| Percentage of Debt Contracting Power Exhausted | 42.69% |

- (1) The District has not incurred any indebtedness since the date of this table.
- 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 \$11,900,000 School District Bonds to DASNY in connection with the refunding of \$13,621,244 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.
- 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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding <u>Indebtedness</u> ⁽¹⁾ | Exclusions ⁽²⁾ | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-------------|---|---------------------------|----------------------------|-----------------------------|--|
| County of: | | | | | |
| Schenectady | \$81,627,000 | \$0 | \$81,627,000 | 3.87% | \$3,158,965 |
| Montgomery | 33,168,031 | 0 | 33,168,031 | 0.47 | 155,890 |
| Schoharie | 36,955,000 | 0 | 36,955,000 | 0.28 | 103,474 |
| Albany | 281,817,942 | 0 | 281,817,942 | 0.02 | 56,364 |
| Town of: | | | | | |
| Duanesburg | 0 | 0 | 0 | 75.81 | 0 |
| Princetown | 2,470,000 | 2,470,000 | 0 | 0.42 | 0 |
| Charleston | 0 | 0 | 0 | 9.52 | 0 |
| Florida | 0 | 0 | 0 | 0.74 | 0 |
| Knox | 0 | 0 | 0 | 2.32 | 0 |
| Schoharie | 124,501 | 0 | 124,501 | 0.12 | 149 |
| Wright | 128,358 | 0 | 128,358 | 4.94 | 6,341 |
| Village of: | | | | | |
| Delanson | 283,700 | 173,600 | 110,100 | 100.00 | 110,100 |
| | | | | Total | \$3,591,283 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | | | Percentage |
|--|--------------|------------------------------|---------------------------------|
| | Amount | Per Capita ⁽²⁾ | of Full Value ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ | | | 4 27% |
| 01000 111000 00 011000 | \$16,981,244 | \$3,325.09 | 112770 |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 20,572,527 | 4,028.30 | 5.17 |

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

⁽²⁾ Sewer and water debt.

Based on the District's current estimated population of 5,107.

Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$397,777,793.

The District expects to deliver \$11,900,000 School District Bonds to DASNY in connection with the refunding of \$13,621,244 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.

Cash Flow Borrowing

The District has not issued Revenue Anticipation Notes and Tax Anticipation Notes for the last five fiscal years and does not expect to issue such notes in the current fiscal year.

Capital Project Plans

The District has authorized, but not issued, \$239,900 serial bonds to finance its 2017-18 bus acquisition. The bonds are expected to be issued on May 24, 2018.

On May 15, 2018, the District will present a proposition to voters authorizing the levy of a necessary tax in the amount of \$270,000 to finance its 2018-19 bus acquisition.

Other than the issuance of the School District Bonds and as stated above, the District has no authorized but 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.

Duanesburg Central School District http://emma.msrb.org/ER1105281-ER864395-ER1265096.pdf Base CUSIP: 263579

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 payable during the month of September without penalty and during October with a 2% penalty. On November 1st, a list of all unpaid taxes is given to the Counties for re-levy on County/Town tax rolls. The District is reimbursed by the Counties for all unpaid taxes the first week of April in each year and is thus assured of 100% collection of its annual levy.

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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Duanesburg | \$124,671,943 | \$125,768,622 | \$126,098,083 | \$126,415,674 | \$126,539,862 |
| Charleston | 8,634,616 | 8,638,014 | 8,742,487 | 8,743,307 | 8,855,836 |
| Knox | 3,119,182 | 3,095,022 | 3,109,833 | 3,084,221 | 3,203,921 |
| Wright | 5,294,650 | 5,437,840 | 5,262,058 | 5,223,073 | 5,288,129 |
| Princetown | 262,282 | 262,274 | 262,318 | 262,318 | 262,318 |
| Florida | 678,245 | 773,026 | 753,709 | 752,812 | 789,178 |
| Schoharie | 143,016 | 194,632(1) | 199,831 | 200,283 | 200,772 |
| Total Assessed Valuation | \$142,803,934 | \$144,169,430 | \$144,428,319 | \$144,681,688 | \$145,140,016 |

⁽¹⁾ Significant change due to revaluation.

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|----------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Duanesburg | 34.40% | 35.26% | 35.60% | 34.50% | 33.80% |
| Charleston | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Knox | 62.00 | 62.00 | 62.00 | 62.00 | 60.00 |
| Wright | 83.00 | 88.00 | 86.00 | 88.00 | 80.00 |
| Princetown | 35.50 | 36.20 | 35.70 | 34.50 | 33.80 |
| Florida | 52.00 | 52.00 | 50.00 | 50.00 | 49.00 |
| Schoharie | 79.36 | $100.00^{(1)}$ | 100.00 | 100.00 | 97.00 |
| Taxable Full | | | | | |
| Valuation | \$384,686,442 | \$378,904,311 | \$376,527,150 | \$388,541,660 | \$397,777,793 |

⁽¹⁾ Significant change due to revaluation.

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$7,592,564 | \$7,736,30 | \$7,736,830 | \$7,850,145 | \$8,000,100 |
| % Uncollected When Due ⁽¹⁾ | 5.16% | 5.37% | 5.28% | 4.75% | 5.09% |

⁽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 payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> ⁽¹⁾ | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|--|------------------------------|---|
| 2013-2014 | \$6,293,550 | \$14,760,785 | 42.64% |
| 2014-2015 | 6,627,737 | 14,782,911 | 44.83 |
| 2015-2016 | 7,008,006 | 15,128,455 | 46.32 |
| 2016-2017 | 7,097,200 | 15,366,414 | 46.19 |
| 2017-2018 (Budgeted) | 7,409,675 | 15,645,247 | 47.36 |
| 2018-2019 (Proposed) | 8,111,865 | 16,418,966 | 49.41 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year, and the proposed payments for the 2018-2019 fiscal year are as follows:

| RS |
|-------|
| 3,294 |
| 4,603 |
|),225 |
| 5,214 |
| 5,000 |
| 0,000 |
| 4 |

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

GASB and OPEB

The District contracted with Empire Blue Cross, MVP, & CDPHP to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2017, 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 \$15,293,744. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$15,293,744. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$8,180,053. The District's annual OPEB expense was \$1,190,232 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$591,156 to the Plan for the fiscal year ending June 30, 2017 to 169 employees, resulting in a net increase to its unfunded OPEB obligation of \$599,076, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$8,779,129. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$62,024 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$1,449,866 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

| Existing Debt | New Debt | Total Debt |
|----------------------|---|--|
| <u>Service</u> | Service | Service |
| \$619,003 | - | \$619,003 |
| 614,525 | \$788,417 | 1,402,942 |
| 528,423 | 1,219,750 | 1,748,173 |
| 523,718 | 1,213,500 | 1,737,218 |
| 483,650 | 1,216,000 | 1,699,650 |
| 433,919 | 1,216,750 | 1,650,669 |
| 335,625 | 1,215,750 | 1,551,375 |
| 335,550 | 1,223,000 | 1,558,550 |
| 332,700 | 1,218,000 | 1,550,700 |
| 45,150 | 1,221,250 | 1,266,400 |
| 43,125 | 1,212,250 | 1,255,375 |
| 41,050 | 1,216,500 | 1,257,550 |
| - | 1,218,250 | 1,218,250 |
| - | 1,217,500 | 1,217,500 |
| - | 1,219,250 | 1,219,250 |
| - | 908,250 | 908,250 |
| | \$619,003 614,525 528,423 523,718 483,650 433,919 335,625 335,550 332,700 45,150 43,125 | Service Service \$619,003 - 614,525 \$788,417 528,423 1,219,750 523,718 1,213,500 483,650 1,216,000 433,919 1,216,750 335,625 1,215,750 335,550 1,223,000 332,700 1,218,000 45,150 1,221,250 43,125 1,212,250 41,050 1,216,500 - 1,218,250 - 1,217,500 - 1,219,250 |

Recent Late Payment of Interest

On July 19, 2012, the District issued refunding bonds, the proceeds of which were used to refund bonds issued in 2007. On July 15, 2016, the District had a payment due related to its 2007 refunded serial bonds, and as a result of a malfunction with the escrow holder's computer system, the payment was not made until July 19, 2016. On July 25, 2016, a principal and interest payment delinquency notice was filed to EMMA. The District has rectified the oversight and foresees no reason to believe the oversight will happen again in the future.

Historical Disclosure Compliance

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

• The District filed its Annual Financial Information and Operating Data ("AFIOD") for the fiscal years ending June 30, 2013-2017 in a timely manner. However, the AFIOD did not include "Major Employers" information which was required under the continuing disclosure undertakings for the District's series 2005, 2007, and 2012 bonds. A failure to file notice was filed to EMMA on April 17, 2018.

The information contained under this subheading "Historical Disclosure Compliance" does not constitute operating data and annual financial information for purposes of DASNY's continuing disclosure agreement.

APPENDIX C-13 DESCRIPTION OF CITY SCHOOL DISTRICT OF THE CITY OF DUNKIRK

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

GENERAL INFORMATION

Description

The District, which comprises an area of approximately 15 square miles, is located in the northwestern portion of the Chautauqua County (the "County"), on Lake Erie, about 45 miles from the City of Buffalo. It encompasses the entire City of Dunkirk, as well as almost the entire Town of Dunkirk, and a minor portion of the Town of Sheridan. The District is fiscally and administratively independent of the City of Dunkirk. The District has a diversified economy, centered primarily in the commercial and industrial operations in the City of Dunkirk. Residential development consists primarily of single-family homes, with some apartment complexes. Residents find employment in the District, or commute to other locales such as the Cities of Buffalo and Jamestown or the State University of New York at Fredonia. Rail transportation is provided by Conrail. Major highways include the State Thruway and Routes #5 and #20.

It should be noted there is an electrical generating plant in the District that is owned by NRG Dunkirk Power LLC ("NRG Dunkirk" and, collectively with its affiliates, "NRG"). NRG Dunkirk and the Chautauqua County Industrial Development Agency executed an agreement on April 25, 2008 removing the plant property from the taxable rolls for a period of 20 years and obligating the company to make a corresponding series of payments in lieu of taxes (or "PILOT" payments). While an agreement reached in late 2013 would have had the plant's coal-fired generators converted to natural gas, such agreement was put on hold following a competitor's challenge in court, and NRG Dunkirk mothballed the plant in January of 2016. However, the legal challenge has since been dropped and efforts are underway to reopen the plant, with three of the plant's four coal units being converted to use natural gas as their primary fuel source. In February 2017, the Chautauqua County IDA approved a revised PILOT agreement with NRG, which includes an annual \$420,000 payment to be divided between the District, the City of Dunkirk and the County, beginning in the District's 2017-2018 fiscal year. This annual \$420,000 payment will continue until the conversion of the plant is completed, or the District's 2022-2023 fiscal year. At that time, payments will increase until the original (higher) PILOT schedule is maintained.

In lieu of the revenue losses that arose from the plant mothballing its boilers and NRG being unable to pay all or part of its anticipated PILOT payments caused, recent State legislation established the Electric Generation Cessation Mitigation Fund, administered by the Empire State Development ("ESD"). The State's enacted 2016-2017 budget appropriated \$30 million in State aid to assist municipalities who will see a reduction in their collection of real property taxes or PILOT payments of at least 20% of the taxes owed by the electric generating facility, payable over a period of up to five years with aid declining to 0% over the five years. The District received \$2,711,258 from such fund in 2016-2017. The 2017-2018 enacted State budget included a provision to increase the fund to \$45 million in 2020 for the mitigation fund and extended the term to seven years. The District's application for \$2,663,875 of such aid in the 2017-2018 fiscal year was approved. The District is anticipating receiving \$2,283,324 of such aid in the 2018-2019 fiscal year.

Construction is slated to begin in the spring of 2018 on a new high-tech manufacturing facility in the Town of Dunkirk, which will be used by Athenex, a company dedicated to the development, commercialization and manufacture of specialty cancer drugs. Anthenex is investing a minimum of \$1.52 billion and the State is investing \$200 million in the facility. Once completed, it is anticipated that this facility will bring 900 new jobs to the Dunkirk area, many of which have been described as requiring advanced degrees and involving higher salaries.

Population

The current estimated population of the District is 13,515 (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | Type | Employees |
|--------------------------------|----------------------|------------------|
| Cliffstar Corp. | Manufacturing | 644 |
| Chautauqua Opportunities, Inc. | Social Services | 450 |
| Brooks Memorial Hospital | Health Care Facility | 446 |
| Dunkirk City School District | Education | 368 |
| Nestle Purina | Food Processing | 270 |

Five Largest Taxpayers

| <u>Name</u> | Type | Full Valuation |
|-----------------------|-------------|-------------------|
| NRG Dunkirk Power LLC | Utility | \$279,426,900 (1) |
| National Grid | Utility | 22,326,291 |
| Purina Products | Industrial | 13,540,548 |
| Star Real Property | Industrial | 8,844,100 |
| Home Depot | Retail | 7,460,870 |

⁽¹⁾ Dunkirk Power LLC currently has a PILOT agreement in place with the District, which has recently had its terms renegotiated. See the discussion under "GENERAL INFORMATION - Description" for more detail.

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 67.03% 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 the County.

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-------------------|-------------|-------------|-------------|-------------|-------------|
| Chautauqua County | 8.0% | 6.8% | 6.0% | 5.8% | 6.1% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.6 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 2.044 | 2.044 | 2,133 | 2.131 | 2,125 | 2.120 | 2,100 |

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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.

| Number of | Description Hold | Contract |
|------------------|------------------------------------|-------------------|
| Employees | Bargaining Unit | Expiration Date |
| 17 | Dunkirk Administrators Association | June 30, 2018 (1) |
| 235 | Dunkirk Teachers Association | June 30, 2021 |
| 120 | CSEA | June 30, 2019 |

Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

(1)

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

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Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| | Based on Conventional Equalization Rates | Based On Special Equalization <u>Ratios</u> |
|---|--|--|
| Five Year Average Full Valuation of Taxable Real Property Debt Limit (5% of full valuation) ⁽²⁾ | \$535,927,111 \$26,796,356 | \$525,197,611 \$26,259,881 |
| Outstanding Indebtedness ⁽³⁾ <u>Inclusions</u> | | |
| Bonds | \$38,060,000 | \$38,060,000 |
| Bond Anticipation Notes | 11,888,500 | 11,888,500 |
| Total Inclusions | \$49,948,500 | \$49,948,500 |
| Exclusions | | |
| Bonds Previously Refunded | \$10,720,000 | \$10,720,000 |
| Appropriations | 3,133,500 | 3,133,500 |
| Total Exclusions | \$13,853,500 | \$13,853,500 |
| Total Net Indebtedness | \$36,095,000 | \$36,095,000 |
| Net Debt Contracting Margin (4) | (\$9,298,644) | (\$9,835,119) |
| Percentage of Debt Contracting Power Exhausted | 134.70% | 137.45% |

⁽¹⁾ The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$9,810,000 School District Bonds to DASNY in connection with the refunding of \$11,888,500 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.

⁽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 Board of Regents of the University of the State of New York and the Office of the State Comptroller have consented to the issuance of bonds and/or bond anticipation notes in excess of the District's constitutional debt limit.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding Indebtedness ⁽¹⁾ | Exclusions ⁽²⁾ | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|--------------------------|--|---------------------------|----------------------------|-----------------------------|--|
| County of: Chautauqua | \$49,084,518 | \$12,000 | \$49,072,518 | 7.80% | \$3,827,789.52 |
| • | Ψ12,001,510 | Ψ12,000 | ψτ2,072,310 | 7.0070 | Ψ3,021,107.32 |
| Town of: | | | | | |
| Dunkirk | 0 | 0 | 0 | 100.00 | 0 |
| Sheridan | 1,136,804 | 0 | 1,136,804 | 18.26 | 207,571 |
| City of: | | | | | |
| Dunkirk | 24,411,734 | 16,345,000 | 8,066,734 | 100 | 8,066,734 |
| | | | | Total | \$12,102,904 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | | | Percentage |
|--|---------------|-----------------------------|----------------------|
| | | Per | of Full |
| | Amount | <u>Capita⁽²⁾</u> | Value ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ | \$49,948,500 | \$3,695,78 | 8.89% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 62,051,404 | 4,591,30 | 11.05 |

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

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.

⁽²⁾ Sewer and water debt.

²⁾ Based on the District's current estimated population of 13,515.

Based on the District's full value of taxable real estate using the special State equalization rates for 2017-18 of \$561,713,075.

⁽⁴⁾ The District expects to deliver \$9,810,000 School District Bonds to DASNY in connection with the refunding of \$11,888,500 of the District's outstanding bond anticipation notes. 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.

Federal Sequestration

In May 2012, the District issued \$5,000,000 of Qualified School Construction Bonds ("QSCBs") with a final maturity of 2027. At the time of issue, the District expected from the Federal Government a 100% interest subsidy related to the QSCBs.

Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011, refund payments to certain state and local government filers claiming refundable credits under section 6431 of the Internal Revenue Code applicable to certain qualified bonds are subject to sequestration. This means that refund payments processed on or after October 1, 2017 and on or before September 30, 2018 will be reduced by the fiscal year 2018 sequestration rate of 6.6%, irrespective of when the amounts claimed by an issuer on any Form 8038-CP was filed with the IRS. A sequestration reduction rate will be applied to the District's QSCBs unless and until a law is enacted that cancels or otherwise impacts the sequester, at which time the sequestration reduction rate is subject to change.

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

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

FINANCIAL FACTORS

General Information

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

City School District of the City of Dunkirk http://emma.msrb.org/ ES1057996-ES826206-ES1227346.pdf Base CUSIP: 265561

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 11th. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 20th to November 1st. On or about November 1st, uncollected taxes are returnable to the 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------------|---------------------------|---------------------------|----------------------------------|---------------------------|---------------------------|
| City of: Dunkirk Towns of: | \$284,927,931 | \$284,962,516 | \$285,600,809 | \$287,220,033 | \$286,840,816 |
| Dunkirk Sheridan | 100,457,054 17,367,935 | 100,017,166 19,104,749 | 101,034,978 19,396,054 | 101,783,970 19,850,300 | 101,830,409 19,544,362 |
| Total Assessed Valuation | \$402,752,920 | \$404,084,431 | \$406,031,841 | \$408,854,303 | \$408,215,587 |
| | | | zation Rates ng June 30, | | |
| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
| City of: Dunkirk | 82.00% | 82.00% | 82.00% | 81.00% | 79.00% |
| Towns of: Dunkirk Sheridan | 73.50 70.00 | 71.50 65.50 | 70.00 66.00 | 69.00 61.00 | 69.00 59.00 |
| Taxable Full Valuation | \$508,960,686 | \$516,566,967 | \$522,017,313 | \$534,647,109 | \$543,795,981 |
| | | | ualization Ratios ng June 30, | | |
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| City of: Dunkirk | 81.39% | 81.34% | 80.26% | 78.73% | 77.23% |
| Towns of: Dunkirk Sheridan | 71.71 65.15 | 69.47 65.66 | 68.24 60.57 | 66.66 59.79 | 65.16 59.07 |
| Taxable Full Valuation | \$516,648,349 | \$521,348,775 | \$533,157,611 | \$546,767,745 | \$561,713,075 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|--------------|
| Total Tax Levy | \$9,614,516 | \$9,455,854 | \$9,361,295 | \$9,547,881 | \$10,085,656 |
| % Uncollected When Due ⁽¹⁾ | 9.10% | 10.06% | 10.97% | 9.78% | 12.51% |

⁽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 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> (1) | Total <u>Revenues</u> ⁽¹⁾ | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|-------------------------------|---|---|
| 2013-2014 | \$23,811,556 | \$38,470,970 | 61.89% |
| 2014-2015 | 23,957,720 | 38,395,283 | 62.40 |
| 2015-2016 | 25,131,475 | 39,107,810 | 64.26 |
| 2016-2017 | 28,923,161 | 40,188,076 | 71.97 |
| 2017-2018 (Budgeted) | 30,846,987 | 41,452,793 | 74.41 |
| 2018-2019 (Proposed) | 32,188,307 | 43,023,529 | 74.82 |

⁽¹⁾ General Fund only.

The amount of aid received in 2016-2017, budgeted for 2017-2018 and proposed for 2018-2019 includes mitigation aid created as part of the State's budget ending March 31, 2017 to aid municipalities and school districts facing a reduction in PILOT revenues due to the closing of a fossil fuel electric generating facility. See the discussion under "GENERAL INFORMATION – Description" herein for further detail.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|-------------|
| 2013-2014 | \$831,724 | \$2,667,763 |
| 2014-2015 | 633,338 | 2,902,558 |
| 2015-2016 | 681,397 | 2,324,280 |
| 2016-2017 | 533,767 | 2,232,164 |
| 2017-2018 (Budgeted) | 541,376 | 1,852,627 |
| 2018-2019 (Proposed) | 535,566 | 2,089,914 |

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

GASB and OPEB

The District contracted with Burke Group to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 75. The first actuarial valuation under GASB 75 was completed for the fiscal year ending June 30, 2017. Prior valuations performed under GASB 45 guidelines have not been restated and are not reflected in historic exhibits. The last full valuation was done for the fiscal year ending June 30, 2015 under GASB 45 guidelines. An interim valuation was done for the fiscal year ending June 30, 2016 under GASB 45. The following outlines the changes to the Total OPEB Liability during the fiscal year, by source.

| Total OPEB Liability at June 30, 2016: | \$2,414,060 |
|--|-------------|
| Changes for the Year: | |
| Service cost | \$95,673 |
| Interest | 79,282 |
| Differences between expected and actual experience | 465,694 |
| Changes in assumptions or other inputs | (62,131) |
| Benefit payments | (143,120) |
| Net changes | \$435,398 |
| Total OPEB Liability at June 30, 2017: | \$2,849,458 |

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 \$2,267,933 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$1,737,200 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$3,631,471 | - | \$3,631,471 |
| 2018-2019 | 3,565,075 | \$961,304 | 4,526,379 |
| 2019-2020 | 3,232,838 | 959,738 | 4,192,576 |
| 2020-2021 | 3,244,863 | 963,738 | 4,208,601 |
| 2021-2022 | 3,254,163 | 966,238 | 4,220,401 |
| 2022-2023 | 3,255,938 | 957,488 | 4,213,426 |
| 2023-2024 | 3,268,906 | 962,363 | 4,231,269 |
| 2024-2025 | 3,272,450 | 975,238 | 4,247,688 |
| 2025-2026 | 2,673,888 | 966,363 | 3,640,251 |
| 2026-2027 | 1,322,963 | 965,988 | 2,288,951 |
| 2027-2028 | 552,075 | 968,738 | 1,520,813 |
| 2028-2029 | 555,375 | 964,613 | 1,519,988 |
| 2029-2030 | 287,000 | 963,613 | 1,250,613 |
| 2030-2031 | - | 965,488 | 965,488 |
| 2031-2032 | - | 965,113 | 965,113 |
| 2032-2033 | - | 370,931 | 370,931 |

The amount of debt service shown is net of interest subsidy payments received from the United States Treasury in connection with the District's 2012 Qualified School Construction Bonds. See the discussion under "Federal Sequestration" for further detail.

Historical Disclosure Compliance

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

• While the District did file an event notice in a timely manner for a bond insurer rating downgrade, the event notice contained incorrect language. On July 17, 2014, the District filed a revised event notice for such downgrade.

The information contained under this subheading "Historical Disclosure Compliance" does not constitute operating data and annual financial information for purposes of DASNY's continuing disclosure agreement.

APPENDIX C-14 DESCRIPTION OF EAST BLOOMFIELD CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-14 a brief description of the East Bloomfield 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 67 square miles in the Towns of East Bloomfield, West Bloomfield, Bristol, Canandaigua, Richmond and Victor (the "Towns"), which are wholly in Ontario County.

The District contains mostly rolling farm lands with the largest community being the Village of Bloomfield. A majority of the residents are employed in farming, but a substantial number are in technical and production work commuting to the City of Rochester (15-20 miles) and the City of Canandaigua (7 miles).

Rochester Gas & Electric Corporation serves electrical needs in the area while National Fuel Gas and New York State Electric & Gas provide gas services. There is no local municipal police force but the area is well served by the Ontario County Sheriff's Department and patrol units of the New York State Police. The East Bloomfield-Holcomb, West Bloomfield, Ionia and Bristol volunteer fire departments serve the various parts of the District. There are no public or private educational institutions other than East Bloomfield Central School within the District boundaries, but the Finger Lakes Community College is located within 10 miles of the center of the District and the University of Rochester, St. John Fisher College and Nazareth College are less than 25 miles away.

Population

The current estimated population of the District is 6,705. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|-----------------------|---|------------------|
| Crossman Corporation | Manufacturing – Air Guns and Ammunition | 300 |
| Commodore Machine | Manufacturing | 142 |
| Terphane Inc. | Manufacturing – Electronics Products | 50 |
| Velmex, Incorporated | Manufacturing – Measurement Equipment | 33 |
| S.G. Security Systems | Security Systems Installation & Maintenance | 7 |

Five Largest Taxpayers

| <u>Name</u> | Type | Full Valuation |
|----------------------------------|--------------|----------------|
| Rochester Gas & Electric Company | Utility | \$ 7,610,748 |
| Tennessee Pipeline | Utility | 5,105,550 |
| Northrup's | Manufacturer | 4,426,222 |
| Indian Valley | Manufacturer | 3,923,321 |
| Crosman Corporation | Manufacturer | 3,467,700 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 9.11% of the tax base of the District.

Unemployment Rate Statistics

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

Year Average

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|
| Ontario County | 6.3% | 5.2% | 4.7% | 4.3% | 4.5% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | • | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|----------------|-----|--------------------------|
| K-12 | 957 | 929 | 908 | 913 | 939 | 924 | 915 |

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|--|------------------------------------|
| 100 | Bloomfield Professional Educators' Association | June 30, 2020 |
| 70 | Bloomfield Support Staff Association | June 30, 2020 |
| 2 | Bloomfield District Office Staff Association | June 30, 2019 |
| 5 | Bloomfield Administrators' Association | June 30, 2020 |
| 7 | Non-Union Representation | - |

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | |
|---|---------------|
| Gross Indebtedness ⁽²⁾ | \$ 20,075,000 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | \$ 20,075,000 |
| Net Debt Contracting Margin | |

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

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding Indebtedness ⁽¹⁾ | Exclusions ⁽²⁾ | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-----------------|--|---------------------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Ontario | \$ 25,117,150 | \$ 127,150 | \$ 24,990,000 | 4.95% | \$ 1,237,005 |
| Towns of: | | | | | |
| Bristol | 306,042 | - | 306,042 | 30.97 | 94,781 |
| Canandaigua | 2,147,067 | 2,147,067 | - | 0.70 | _ |
| East Bloomfield | 3,312,600 | 2,724,000 | 588,600 | 97.76 | 575,415 |
| Richmond | 5,315,917 | 5,148,093 | 167,824 | 0.67 | 1,124 |
| Victor | 5,500,000 | 1,364,000 | 4,136,000 | 0.12 | 4,963 |
| West Bloomfield | 379,209 | - | 379,209 | 75.74 | 287,213 |
| Village of: | | | | | |
| Bloomfield | 4,594,693 | 4,274,693 | 320,000 | 100.00 | 320,000 |
| | | | | Total | \$ 2,520,502 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

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 \$6,815,000 School District Bonds to DASNY in connection with the refunding of \$7,830,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

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.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | | Per | Percentage of Full |
|--|---------------|-----------------------|----------------------|
| | Amount | Capita ⁽²⁾ | Value ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ | \$ 20,075,000 | \$ 2,994.03 | 4.68% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 22,595,502 | 3,369.95 | 5.27 |

- (1) The District has not incurred any indebtedness since the date of the above table.
- Based on the District's current estimated population of 6,705.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$428,800,077.
- (4) The District expects to deliver \$6,815,000 School District Bonds to DASNY in connection with the refunding of \$7,830,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District, historically, does not issue Tax and/or Revenue Anticipation Notes and does not anticipate issuing them in the foreseeable future.

Capital Project Plans

Other than the School District Bonds, there are currently no other projects authorized or planned at this time.

FINANCIAL FACTORS

General Information

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

East Bloomfield Central School District https://emma.msrb.org/ER1089896-ER852977-ER1253583.pdf Base CUSIP: 271106

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 3rd to October 31st and a 3% penalty is charged from November 1st to November 3rd. On or before November 10th, uncollected taxes are returnable to County of Ontario for collection. The District receives this amount from the County prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

Assessed Valuation Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| Towns of: | | | | | |
| Bristol | \$ 53,846,375 | \$ 54,223,085 | \$ 57,601,753 | \$ 57,713,828 | \$ 57,182,110 |
| Canandaigua | 8,029,043 | 8,095,206 | 8,185,205 | 8,248,782 | 8,152,335 |
| East Bloomfield | 222,595,853 | 222,765,187 | 230,813,698 | 233,674,600 | 232,730,976 |
| Richmond | 2,093,878 | 2,153,874 | 2,157,792 | 2,346,918 | 2,318,677 |
| Victor | 1,956,534 | 1,960,163 | 2,136,894 | 2,196,696 | 2,189,676 |
| West Bloomfield | 115,108,948 | 115,766,353 | 116,073,604 | 124,841,132 | 116,974,938 |
| Total Assessed Valuation | \$ 403,630,631 | \$ 404,963,868 | \$ 416,968,946 | \$ 429,021,956 | \$ 419,548,712 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------|----------------|----------------|----------------|----------------|----------------|
| Towns of: | | | | | |
| Bristol | 100.00% | 100.00% | 100.00% | 100.00% | 99.00% |
| Canandaigua | 100.00 | 100.00 | 100.00 | 100.00 | 98.00 |
| East Bloomfield | 100.00 | 100.00 | 100.00 | 100.00 | 99.00 |
| Richmond | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Victor | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| West Bloomfield | 100.00 | 98.00 | 94.00 | 93.00 | 95.00 |
| Taxable Full | | | | | |
| Valuation | \$ 403,630,631 | \$ 407,326,447 | \$ 424,377,899 | \$ 438,418,601 | \$ 428,800,077 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$ 9,118,575 | \$ 9,327,418 | \$ 9,458,100 | \$ 9,593,443 | \$ 9,659,646 |
| % Uncollected When Due ⁽¹⁾ | 4.13% | 4.28% | 4.43% | 4.39% | 4.97% |

⁽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 payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> ⁽¹⁾ | Total <u>Revenues</u> ⁽¹⁾ | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|--|---|--|
| 2013-2014 | \$ 9,123,466 | \$ 18,630,078 | 48.97% |
| 2014-2015 | 9,336,691 | 18,928,408 | 49.33 |
| 2015-2016 | 10,186,850 | 19,994,157 | 50.95 |
| 2016-2017 | 10,399,812 | 20,313,786 | 51.20 |
| 2017-2018 (Budgeted) | 10,746,850 | 20,656,945 | 52.03 |
| 2018-2019 (Proposed) | 10,169,834 | 20,865,351 | 48.74 |

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2013-2014 fiscal year, the budgeted payments for the current fiscal year, and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2013-2014 | \$ 917,246 | \$ 275,236 |
| 2014-2015 | 1,201,144 | 255,417 |
| 2015-2016 | 1,000,505 | 239,115 |
| 2016-2017 | 940,455 | 219,174 |
| 2017-2018 (Budgeted) | 780,000 | 230,000 |
| 2017-2018 (Proposed) | 852,879 | 254,474 |

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

GASB and OPEB

The District contracted with Hooker & Holcombe to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2017, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$20,101,918. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$20,101,918. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$4,201,262. The District's annual OPEB expense was \$1,623,377 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$590,773 to the Plan for the fiscal year ending June 30, 2017, resulting in a net increase to its unfunded OPEB obligation of \$1,032,604, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$5,233,866. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$772,337 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$1,117,957 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 <u>Year</u> | Existing Debt Service | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|--------------------------|----------------------------|------------------------------|
| 2017-2018 | \$2,690,116 | <u></u> | \$2,690,116 |
| 2018-2019 | 1,579,676 | \$453,654 | 2,033,330 |
| 2019-2020 | 1,580,331 | 700,500 | 2,280,831 |
| 2020-2021 | 1,574,731 | 697,500 | 2,272,231 |
| 2021-2022 | 1,467,850 | 698,750 | 2,166,600 |
| 2022-2023 | 1,272,800 | 699,000 | 1,971,800 |
| 2023-2024 | 1,275,438 | 703,250 | 1,978,688 |
| 2024-2025 | 1,071,800 | 701,250 | 1,773,050 |
| 2025-2026 | 517,050 | 698,250 | 1,215,300 |
| 2026-2027 | 342,900 | 699,250 | 1,042,150 |
| 2027-2028 | 298,300 | 704,000 | 1,002,300 |
| 2028-2029 | 259,850 | 697,250 | 957,100 |
| 2029-2030 | 257,500 | 699,500 | 957,000 |
| 2030-2031 | - | 700,250 | 700,250 |
| 2031-2032 | = | 699,500 | 699,500 |
| 2032-2033 | - | 467,250 | 467,250 |

APPENDIX C-15 DESCRIPTION OF ELMIRA HEIGHTS CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-15 a brief description of the Elmira Heights 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 1956, is located in the Towns of Horseheads, Big Flats and Elmira in Chemung County and covers approximately 23 square miles.

The District is served by an excellent network of State highways, with Interstate #86, the "Southern Tier Expressway", and New York State Route #14 as the major routes. Rail service is available in Elmira. Air transportation is available at the Elmira-Corning Regional Airport.

The District is a mixture of residential and agricultural areas, with many of its residents commuting to Elmira for employment. The New York State Department of Corrections is a major employer with two facilities in the County.

Water services are provided by the Elmira Water Board and sewer services are provided by Chemung County Sewer District. Electricity and natural gas are provided by New York State Electric & Gas Corporation. Police protection is provided by the Village of Elmira Heights Police Department, the Chemung County Sheriff's Department and the New York State Police. Fire protection is provided by a volunteer department in the Village of Elmira Heights, as well as by various departments in the Towns.

The District provides public education for grades Pre-K-12. Opportunities for higher education are available at the many colleges and universities in and around the Elmira area.

Population

The current estimated population of the District is 6,775. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|--|---------------------------------|------------------|
| Hardinge Brothers, Inc. | Manufacturer (Industrial Tools) | 590 |
| CAF USA Inc. | Manufacturer (Rail Cars) | 400 |
| Anchor Glass Container Corp. | Glass Containers | 300 |
| Elmira Heights Central School District | Public Education | 174 |
| Swift Glass | Fabricated Glass Parts | 100 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|---|---------------------------------|----------------|
| New York State Electric & Gas Corporation | Utility | \$16,778,787 |
| Villa Serene Apartments | Senior Housing | 3,846,154 |
| MTM Realty LLC | Commercial Storage | 3,561,429 |
| Hardinge Brothers, Inc. | Manufacturer (Industrial Tools) | 2,943,516 |
| City of Elmira | Local Government | 2,932,694 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 10.96% 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 Chemung County.

| Year | Average |
|------|---------|
|------|---------|

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|
| Chemung County | 7.9% | 6.2% | 5.9% | 5.7% | 5.6% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.6 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|----------|----------------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| Pre-K-12 | 1,062 | 1,063 | 1,050 | 1,030 | 1,074 | 1,095 | 1,113 |

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.

| Number of | | Contract |
|------------------|--|------------------------|
| Employees | Bargaining Unit | Expiration Date |
| 98 | Elmira Heights Central School District Teachers' Association | June 30, 2021 |
| 68 | Elmira Heights Educational Support Staff Association | June 30, 2022 |
| 3 | Elmira Heights Administrative Council | June 30, 2019 |

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property | \$350,510,798 35,051,079 |
|---|-----------------------------|
| Gross Indebtedness ⁽²⁾ | \$15,383,000 0 |
| Total Net Indebtedness | \$15,383,000 |
| Net Debt Contracting Margin Percentage of Debt Contracting Power Exhausted | \$19,668,079 43.89% |

- The District has not incurred any indebtedness since the date of this table.
- Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$8,815,000 School District Bonds to DASNY in connection with the refunding of \$5,040,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- 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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding Indebtedness ⁽¹⁾ | Exclusions(2) | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|----------------|--|---------------|----------------------------|-----------------------------|--|
| County of: | | | | | |
| Chemung | \$52,670,961 | \$0 | \$52,670,961 | 8.27% | \$4,355,888 |
| Towns of: | | | | | |
| Big Flats | 3,235,000 | 0 | 3,235,000 | 4.10 | 132,635 |
| Elmira | 122,500 | 0 | 122,500 | 21.52 | 26,362 |
| Horseheads | 54,000 | 0 | 54,000 | 19.79 | 10,687 |
| Village of: | | | | | |
| Elmira Heights | 665,000 | 0 | 665,000 | 100.00 | 665,000 |
| _ | | | | Total | \$5,190,572 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | Amount | Per <u>Capita⁽²⁾</u> | Percentage of Full <u>Value⁽³⁾</u> |
|--|--------------|------------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$15,383,000 | \$2,270.55 | 4.39% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 20,573,572 | 3,036.69 | 5.87 |

- (1) The District has not incurred any indebtedness since the date of the above table.
- Based on the District's current estimated population of 6,775.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$350,510,798.
- (4) The District expects to deliver \$8,815,000 School District Bonds to DASNY in connection with the refunding of \$5,040,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District has not issued Revenue Anticipation Notes for the last fourteen fiscal years and does not expect to issue such notes in the current fiscal year.

Capital Project Plans

On May 15, 2018, the District voters will consider a proposition for the acquisition of school buses at an estimated cost of \$240,000. If approved by the voters, the District may obtain financing for the buses in September of 2018.

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.

Elmira Heights Central School District

https://emma.msrb.org/ES1070811-ES836159-ES1237219.pdf

Base CUSIP: 289623

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 the 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Big Flats | \$29,921,669 | \$29,925,243 | \$32,119,464 | \$31,141,719 | \$31,444,279 |
| Elmira | 90,528,211 | 90,585,233 | 91,425,160 | 90,779,837 | 90,668,272 |
| Horseheads | 195,876,562 | 199,198,580 | 203,525,606 | 204,154,461 | 205,290,608 |
| Total Assessed | | | | | |
| Valuation | \$316,326,442 | \$319,709,056 | \$327,070,230 | \$326,076,017 | \$327,403,159 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Big Flats | 97.00% | 97.00% | 100.00% | 100.00% | 100.00% |
| Elmira | 100.00 | 98.00 | 98.00 | 96.00 | 97.00 |
| Horseheads | 96.00 | 93.00 | 93.00 | 95.00 | 91.00 |
| Taxable Full | | | | | |
| Valuation | \$325,413,377 | \$337,476,697 | \$344,255,180 | \$340,603,481 | \$350,510,798 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$7,375,592 | \$7,441,335 | \$7,433,954 | \$7,446,383 | \$7,631,798 |
| % Uncollected When Due(1) | 8.41% | 7.92% | 9.01% | 7.74% | 13.41% |

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

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> (1) | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|-------------------------------|------------------------------|---|
| 2013-2014 | \$10,816,475 | \$19,406,296 | 55.74% |
| 2014-2015 | 11,360,947 | 20,022,329 | 56.74 |
| 2015-2016 | 11,804,136 | 20,315,796 | 58.10 |
| 2016-2017 | 10,969,893 | 19,476,713 | 56.32 |
| 2017-2018 (Budgeted) | 11,661,049 | 20,403,649 | 57.15 |
| 2018-2019 (Proposed) | 12,272,193 | 21,417,024 | 57.30 |

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | TRS |
|----------------------|------------|-------------|
| 2013-2014 | \$267,991 | \$1,009,857 |
| 2014-2015 | 238,000 | 1,049,000 |
| 2015-2016 | 206,000 | 806,000 |
| 2016-2017 | 192,000 | 732,000 |
| 2017-2018 (Budgeted) | 205,098 | 702,210 |
| 2018-2019 (Proposed) | 220,300 | 719,103 |

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

GASB and OPEB

The District contracted with Korn Ferry Hay Group to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of July 1, 2016, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$22,330,572. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$22,330,572. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$6,696,542. The District's annual OPEB expense was \$1,625,253 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,268,659 to the Plan for the fiscal year ending June 30, 2017, resulting in a net increase to its unfunded OPEB obligation of \$356,594, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$7,053,136. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$387,697 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$1,605,648 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$1,111,686 | - | \$1,111,686 |
| 2018-2019 | 1,110,103 | \$939,651 | 2,049,754 |
| 2019-2020 | 1,110,017 | 888,194 | 1,998,211 |
| 2020-2021 | 951,250 | 889,694 | 1,840,944 |
| 2021-2022 | 954,950 | 879,944 | 1,834,894 |
| 2022-2023 | 958,250 | 894,444 | 1,852,694 |
| 2023-2024 | 875,500 | 891,944 | 1,767,444 |
| 2024-2025 | 209,750 | 853,194 | 1,062,944 |
| 2025-2026 | 215,250 | 834,944 | 1,050,194 |
| 2026-2027 | - | 831,194 | 831,194 |
| 2027-2028 | - | 816,194 | 816,194 |
| 2028-2029 | - | 795,444 | 795,444 |
| 2029-2030 | - | 789,194 | 789,194 |
| 2030-2031 | - | 776,694 | 776,694 |
| 2031-2032 | - | 768,194 | 768,194 |
| 2032-2033 | - | 628,444 | 628,444 |
| 2033-2034 | - | 273,944 | 273,944 |

APPENDIX C-16 DESCRIPTION OF FAIRPORT CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-16 a brief description of the Fairport 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 1951, covers approximately 25 square miles in the Town of Perinton, Monroe County, and is located approximately ten miles southeast of the City of Rochester. The Village of Fairport is wholly located within the District.

The District provides public education for grades K-12. An elementary-level parochial school and the Board of Cooperative Educational Services (BOCES) also serve the District. Higher educational opportunities are available at the many colleges and universities in and around the City of Rochester.

Water and sewer services are provided to District residents by the Village of Fairport and the Town of Perinton. The Village of Fairport provides police protection within its boundaries and, through its municipal electric system, provides low-cost electricity to nearly all of the District. Rochester Gas & Electric Corporation provides natural gas service to the entire District and electric service to the small portion not served by the Village of Fairport. Police protection is provided by the Monroe County Sheriff's Department and the New York State Police. Fire protection and ambulance service is provided by various volunteer groups.

The District is served by New York State Routes #31, #31F and #250, and by Interstate Route #490, which provides easy access to the State Thruway and downtown Rochester. Bus service is provided by the Rochester Genesee Regional Transportation Authority, while air service is available at the Greater Rochester International Airport. The New York State Barge Canal also passes through the District.

Residents are afforded all of the usual commercial services, with several banking institutions and two large shopping plazas located within its borders. Recreational facilities include Lake Ontario to the north, and the Finger Lakes Region to the south. The Town of Perinton also sponsors a year-round recreation program and maintains several Town parks.

Population

The current estimated population of the District is 40,382. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|----------------------------------|-----------------------|------------------|
| Monroe #1 BOCES | Education | 1,400 |
| Fairport Central School District | Education | 1,100 |
| Wegmans | Retail Grocery | 560 |
| Fairport Baptist Homes | Nursing Home Facility | 450 |
| LiDestri Foods | Food Manufacturing | 400 |
| | | |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Assessed Valuation |
|---------------------------------|--------------------|---------------------------|
| Rochester Gas & Electric | Utility | \$ 34,380,790 |
| Fairport Municipal Commission | Utility | 23,791,147 |
| DiMarco Perinton Square LLC | Retail | 19,500,000 |
| Frontier Telephone of Rochester | Telecommunications | 17,895,356 |
| Highway Manor, LLC | Apartments | 12,053,500 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 4.97% 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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|
| Monroe County | 7.0% | 5.8% | 5.1% | 4.7% | 5.0% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | 2017-18 | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|---------|--------------------------|--------------------------|
| K-12 | 6,336 | 6,250 | 5,959 | 5,905 | 5,802 | 5,693 | 5,650 |

District Employees

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

| Number of Employees | Bargaining Unit | Contract Expiration Date |
|------------------------|---|---------------------------------|
| 92 | Fairport Central Association of Support Service Personnel | June 30, 2019 |
| 113 | Transportation Employees' Association of Fairport | June 30, 2018 (1) |
| 63 | Fairport School Office Professional Association | June 30, 2019 |
| 28 | Fairport Administrators' Association | June 30, 2019 |
| 619 | Fairport Education Association | June 30, 2018 (1) |
| 115 | Fairport District Paraprofessional | June 30, 2019 |

⁽¹⁾ Currently 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 May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property | \$3,167,919,839 |
|--|-----------------|
| Debt Limit (10% of Full Valuation) | 316,791,984 |
| Gross Indebtedness ⁽²⁾ | \$57,105,000 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | \$57,105,000 |
| Net Debt Contracting Margin | \$259,686,984 |
| Percentage of Debt Contracting Power Exhausted | 18.03% |

- (1) The District has not incurred any indebtedness since the date of this table.
- 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 \$20,650,000 School District Bonds to DASNY in connection with the refunding of \$23,725,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- 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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding <u>Indebtedness</u> ⁽¹⁾ | Exclusions(2) | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-------------|---|---------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Monroe | \$809,641,145 | \$89,332,075 | \$720,309,070 | 7.69% | \$55,391,767 |
| Town of: | | | | | |
| Perinton | 19,310,000 | 18,485,000 | 825,000 | 78.82 | 650,265 |
| Village of: | | | | | |
| Fairport | 8,550,589 | - | 8,550,589 | 100.00 | 8,550,589 |
| | | | | Total | \$ 64,592,621 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | Per | Per | Percentage of Full |
|--|---------------|-----------------------|-----------------------------|
| | Amount | Capita ⁽²⁾ | Value ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ | \$57,105,000 | \$1,414.12 | 1.80% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 121,697,621 | 3,013.66 | 3.84 |

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

Cash Flow Borrowing

The District has not issued tax and/or revenue anticipation notes in the past five fiscal years, and does not plan on issuing any in the foreseeable future.

⁽²⁾ Sewer and water debt.

Based on the District's current estimated population of 40,382.

⁽³⁾ Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$3,167,919,839.

The District expects to deliver \$20,650,000 School District Bonds to DASNY in connection with the refunding of \$23,725,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Capital Project Plans

On May 19, 2015, the voters of the District approved a \$29.2 million capital project. The District issued \$17,000,000 bond anticipation notes that matured on July 14, 2017 which represented the first borrowing against said authorization. The District renewed in full these bond anticipation notes and issued \$6,725,000 in new money for the aforementioned project to mature June 25, 2018. A portion of the proceeds of the School District Bonds shall be applied to permanently finance these bond anticipation notes for the aforementioned purpose.

On May 17, 2016, the voters of the District approved an \$11.2 million capital project. Borrowings are expected to occur upon approval from the State Education Department and as the project's cash flow needs warrant.

The District is in the early stages of planning a capital project. The scope and amount have not been determined as of the date of this Official Statement but the project will be no less than \$20 million. Further information is unavailable as of the date of this Official Statement.

There are presently no other capital projects authorized or indebtedness unissued by the District.

FINANCIAL FACTORS

General Information

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

Fairport Central School District

https://emma.msrb.org/ER1090333-ER853354-ER1253949.pdf

Base CUSIP: 305585

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

Real Estate Property Tax Collection Procedure

Taxes are due September 1st and are payable to the District Tax Collector on or before October 1st without penalty. Payments received by the Tax Collector from October 2nd through October 31st carry a penalty of 2%. Payments from November 1st through November 18th are made to the County, with an interest penalty of 5%. No payments are accepted after November 18th. District Taxes which remain unpaid after November 18th are re-levied on the following year's Town and County tax bills. The District is reimbursed by the County for all unpaid taxes in April of the year following the year of levy, and is thus assured of 100% collection of its annual tax levy.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

Assessed Valuation Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | | |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|--|--|
| Town of: Perinton Total Assessed Valuation | \$3,025,013,785 \$3,025,013,785 | \$3,050,019,574 \$3,050,019,574 | \$3,084,410,687 \$3,084,410,687 | \$3,135,903,198 \$3,135,903,198 | \$3,167,919,839 \$3,167,919,839 | | |
| State Equalization Rates Years Ending June 30, | | | | | | | |
| <u>2014</u> <u>2015</u> <u>2016</u> <u>2017</u> <u>2018</u> | | | | | | | |
| Towns of: Perinton | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | | |
| Taxable Full Valuation | \$3,025,013,785 | \$3,050,019,574 | \$3,084,410,687 | \$3,135,903,198 | \$3,167,919,839 | | |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$56,982,888 | \$58,248,777 | \$60,429,630 | \$64,219,578 | \$66,335,734 |
| % Uncollected When Due ⁽¹⁾ | 2.03% | 2.05% | 2.07% | 2.02% | 1.82% |

⁽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 payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> ⁽¹⁾ | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|--|------------------------------|---|
| 2013-2014 | \$31,647,239 | \$107,629,786 | 29.40% |
| 2014-2015 | 32,313,700 | 107,945,846 | 29.94 |
| 2015-2016 | 34,875,269 | 112,843,934 | 30.91 |
| 2016-2017 | 38,674,932 | 118,171,206 | 32.73 |
| 2017-2018 (Budgeted) | 40,062,598 | 120,798,383 | 33.16 |
| 2018-2019 (Proposed) | 40,643,841 | 123,777,329 | 32.84 |

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2013-2014 fiscal year, the budgeted payments for the current fiscal year, and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|-------------|-------------|
| 2013-2014 | \$1,892,208 | \$6,662,332 |
| 2014-2015 | 2,170,358 | 7,469,787 |
| 2015-2016 | 1,811,671 | 5,831,180 |
| 2016-2017 | 1,944,050 | 5,444,688 |
| 2017-2018 (Budgeted) | 2,161,439 | 4,573,109 |
| 2018-2019 (Proposed) | 2,170,569 | 4,788,025 |

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

GASB and **OPEB**

The District contracted with Burke Group to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 75. The first actuarial valuation under GASB 75 was completed for the fiscal year ending June 30, 2017. Prior valuations performed under GASB 45 guidelines have not been restated and are not reflected in historic exhibits. The last full valuation was done for the fiscal year ending June 30, 2016 under GASB 45 guidelines. An interim valuation was done for the fiscal year ending June 30, 2017 under GASB 45. The following outlines the changes to the Total OPEB Liability during the fiscal year, by source.

| Total OPEB Liability at June 30, 2016: | \$225,785,700 |
|--|---------------|
| Changes for the Year: | |
| Service cost | \$6,420,808 |
| Interest | 7,609,772 |
| Differences between expected and actual experience | 31,077,022 |
| Changes in assumptions or other inputs | (17,378,507) |
| Benefit payments | (5,049,148) |
| Net changes | \$22,679,947 |
| Total OPEB Liability at June 30, 2017: | \$248,465,647 |

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 \$3,710,585 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$5,081,479 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$4,786,088 | - | \$4,786,088 |
| 2018-2019 | 5,238,838 | \$2,005,145 | 7,243,983 |
| 2019-2020 | 4,194,163 | 2,008,300 | 6,202,463 |
| 2020-2021 | 4,210,038 | 2,008,300 | 6,218,338 |
| 2021-2022 | 4,212,438 | 2,006,500 | 6,218,938 |
| 2022-2023 | 3,333,538 | 2,002,900 | 5,336,438 |
| 2023-2024 | 3,338,488 | 2,007,500 | 5,345,988 |
| 2024-2025 | 3,071,394 | 2,006,750 | 5,078,144 |
| 2025-2026 | 2,125,225 | 2,002,750 | 4,127,975 |
| 2026-2027 | 2,127,138 | 2,005,500 | 4,132,638 |
| 2027-2028 | 2,123,050 | 2,004,500 | 4,127,550 |
| 2028-2029 | 1,723,625 | 2,004,750 | 3,728,375 |
| 2029-2030 | 576,800 | 2,011,000 | 2,587,800 |
| 2030-2031 | - | 2,010,400 | 2,010,400 |
| 2031-2032 | - | 2,007,000 | 2,007,000 |
| 2032-2033 | - | 670,800 | 670,800 |
| | | | |

⁽¹⁾ Schedule does not include remaining payments of \$3,065,169 due under an energy performance contract.

APPENDIX C-17 DESCRIPTION OF FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-17 brief description of the Fayetteville-Manlius Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District, with a land area of approximately 42 square miles, and located in upstate New York in the eastern sector of Onondaga County and western sector of Madison County. The City of Syracuse is situated approximately 10 miles west of the District. The incorporated Villages of Fayetteville and Manlius lie wholly within the District. The District is also made up of portions of the Towns of Dewitt, Manlius and Pompey in Onondaga County and the Towns of Cazenovia and Sullivan in Madison County.

The District is primarily suburban in character with mainly single-family residences. There has been some recent housing development as well as commercial development.

A manufacturing firm located within the District is L. & J.G. Stickley, Inc., founded in 1900, specializing in hand crafted collector quality solid cherry, oak and mahogany furniture, with a nation-wide distribution. The firm has an employment in excess of 900. In 1985, the firm opened a new manufacturing facility and has followed with expansions in 1987, 1989, 1996 and 1998 to a current total in excess of 250,000 square feet. Recently, construction was completed on a new \$2 million CVS store located in the Village of Manlius. Additionally the Towne Center Retirement Community, a \$27 million dollar 18,000-square-foot, three-floor senior living facility that includes 128 units of one-, two- and three- bedroom apartments in the Village of Fayetteville, was completed and opened this fall 2017.

Police protection is afforded residents by Town, County and State agencies. Fire protection is provided by various volunteer groups.

Population

The current estimated population of the District is 25,045. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | Type | Employees |
|--|----------------------|------------------|
| L. & J.G. Stickley, Inc. | Manufacturing/Retail | 925 |
| Fayetteville-Manlius Central School District | Public Education | 763 |
| Northeast Medical, P.C. | Health Care | 500 |
| Target Corporation | Retail | 200 |
| Tops Pt, LLC | Retail (Grocery) | 139 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|---------------------------------------|-------------|----------------|
| National Grid | Utility | \$32,430,400 |
| Cor Route 5 Company, LLC. | Retail | 30,355,800 |
| Towne Center Retirement Community LLC | Residential | 10,000,000 |
| Wildwood Ridge Association | Residential | 9,765,000 |
| Target Corporation (1) | Retail | 9,159,000 |

⁽¹⁾ Has filed a tax certiorari. Target Corporation is looking to reduce its current assessment of \$9,159,000 to \$915,900 and JER/NHP Senior Living Acq. LLC is looking to reduce its assessment from \$7,100,000 to \$710,000. As of the date of this Preliminary Official Statement, the District's current reserve is \$1,027,838, and should these certioraris be settled the District believes it has sufficient reserves to cover the expected adjustments.

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 5.34% of the tax base of the District.

Unemployment Rate Statistics

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

| Year Average | | | | | |
|-----------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Onondaga County | 6.8% | 5.5% | 4.9% | 4.5% | 4.7% |
| Madison County | 7.6 | 6.4 | 5.7 | 5.2 | 5.6 |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | 2017-18 | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|---------|--------------------------|--------------------------|
| K-12 | 4,236 | 4,170 | 4,214 | 4,226 | 4,236 | 4,275 | 4,300 |

District Employees

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

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|--|------------------------------------|
| 381 | Fayetteville-Manlius Teachers' Association | June 30, 2020 |
| 18 | Fayetteville-Manlius Administrators' Association | June 30, 2018 (1) |
| 139 | Teacher Aide/Assistant Association | June 30, 2019 |
| 35 | School Office Personnel | June 30, 2020 |
| 64 | Transportation | June 30, 2021 |
| 55 | Maintenance and Custodial | June 30, 2019 |
| 31 | Cafeteria | June 30, 2018 (1) |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018 (1)

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$2,324,582,051 232,458,205 |
|---|--------------------------------|
| Gross Indebtedness ⁽²⁾ | \$21,913,703 0 |
| Total Net Indebtedness | \$21,913,703 |
| Net Debt Contracting Margin | \$210,544,502 |
| Percentage of Debt Contracting Power Exhausted | 9.43% |

- The District has not incurred any indebtedness since the date of this table.
- 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 \$1,835,000 School District Bonds to DASNY in connection with the refunding of \$1,171,795 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.
- 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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding <u>Indebtedness⁽¹⁾</u> | Exclusions (2) | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|--------------|--|----------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Onondaga | \$652,085,295 | \$326,150,634 | \$325,934,661 | 8.36% | \$27,248,138 |
| Madison | 22,212,288 | 2,710,351 | 19,501,937 | 0.02 | 3,900 |
| Town of: | | | | | |
| Manlius | 393,074 | 0 | 393,074 | 72.72 | 285,843 |
| Pompey | 574,000 | 0 | 574,000 | 54.64 | 313,634 |
| Cazenovia | 1,323,929 | 588,929 | 735,000 | 0.01 | 74 |
| Sullivan | 10,970,453 | 7,985,453 | 2,985,000 | 0.10 | 2,985 |
| DeWitt | 11,313,800 | 7,035,000 | 4,278,800 | 2.82 | 120,662 |
| Village of: | | | | | |
| Fayetteville | 6,503,124 | 793124 | 5,710,000 | 100.00 | 5,710,000 |
| Manlius | 11,197,419 | 192,419 | 11,005,000 | 100.00 | 11,005,000 |
| | | | | Total | \$44,690,236 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018 (1)

| | <u>Amount</u> | Per <u>Capita⁽²⁾</u> | Percentage of Full <u>Value⁽³⁾</u> |
|--|---------------|------------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$21,913,703 | \$874.97 | 0.94% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 66,603,939 | 2,659.37 | 2.87 |

- (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 25,045.
- Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$2,324,582,051.
- (4) The District expects to deliver \$1,835,000 School District Bonds to DASNY in connection with the refunding of \$1,171,795 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District issued \$4,000,000 of Revenue Anticipation Notes in the 2016-17 fiscal year. The District is currently monitoring its cash flow position as there is a possibility it may need to issue such notes in summer 2018.

Capital Project Plans

On December 5, 2017, the District voters approved a new \$45.2 million capital project for the renovations and additions to Wellwood Elementary and the High School. Additionally, an Energy Performance Contract (EPC) is included in the project to address lighting and boiler upgrades and building envelope improvements for various District buildings.

On May 15, 2018, the qualified voters of the District will be asked to vote on a proposition for \$639,082 for the purchase of buses and a suburban. Pending a positive vote, the District would plan to issue serial bonds in July 2018 to finance the acquisition of such buses.

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

Capital Lease Obligation

The following is a summary of obligations of government activities under capital lease payments:

| Fiscal Year ended June 30: | <u>Total</u> |
|---|-----------------|
| 2018 | \$ 192,964 |
| 2019 | 198,641 |
| 2020 | 199,048 |
| 2021 | 204,319 |
| 2022 | 209,321 |
| Thereafter | 347,699 |
| Total minimum lease payments | \$ 1,351,992 |
| Less amount representing interest | (131,992) |
| Present value of minimum lease payments | \$ 1,220,000 |

Source: 2017 Audited Financial Statements of the District.

FINANCIAL FACTORS

General Information

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

Fayetteville-Manlius Central School District https://emma.msrb.org/ES1067937-ES833828-ES1234889.pdf

Base CUSIP: 312729

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 the Counties for collection. The District receives this amount from said Counties prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the Counties.

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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Towns of: | | | | | |
| Manlius (1) | \$1,738,829,930 | \$1,744,242,490 | \$1,793,682,159 | \$1,842,388,452 | \$1,893,260,747 |
| Pompey (2) | 341,366,491 | 343,107,290 | 345,620,496 | 346,657,152 | 352,670,368 |
| Cazenovia | 81,694 | 94,059(3) | 94,514 | 96,349 | 97,298 |
| Sullivan | 822,619 | 825,132 | 825,417 | 831,522 | 848,655 |
| DeWitt | 70,570,659 | 70,932,292 | 71,437,180 | 74,318,169 | 74,125,337 |
| Total Assessed Valuation | \$2,151,671,393 | \$2,159,201,263 | \$2,211,659,766 | \$2,264,291,644 | \$2,321,002,405 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Towns of: | | | | | |
| Manlius (1) | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Pompey (2) | 100.00 | 100.00 | 100.00 | 100.00 | 99.00 |
| Cazenovia | 82.00 | 100.00 (3) | 100.00 | 100.00 | 100.00 |
| Sullivan | 100.00 | 100.00 | 100.00 | 100.00 | 98.00 |
| DeWitt | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Taxable Full | | | | | |
| Valuation | \$2,151,689,326 | \$2,159,201,263 | \$2,211,659,766 | \$2,264,291,644 | \$2,324,582,051 |

Includes Clergy Exemption. Fiscal Years Ending June 30, 2014 and 2015 each include \$28,500, Fiscal Years Ending June 30, 2016 and 2017 each include \$33,000, and Fiscal Year Ending June 30, 2018 includes \$31,500 of such exemptions.

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$54,842,986 | \$56,194,762 | \$57,258,897 | \$58,337,317 | \$59,476,276 |
| % Uncollected When Due ⁽¹⁾ | 4.38% | 4.37% | 4.45% | 4.11% | 3.99% |

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

Includes Clergy Exemption. Fiscal Years Ending June 30, 2014 and June 30, 2015 each include \$1,500, Fiscal Years Ending June 30, 2016, 2017 and 2018 includes \$3,000 of such exemptions.

⁽³⁾ Significant change due to revaluation.

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 payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> (1) | Total <u>Revenues⁽¹⁾</u> | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|-------------------------------|--|---|
| 2013-2014 | \$17,799,548 | \$75,121,018 | 23.69% |
| 2014-2015 | 18,654,017 | 77,462,946 | 24.08 |
| 2015-2016 | 18,851,049 | 79,053,209 | 23.85 |
| 2016-2017 | 18,910,458 | 79,195,577 | 23.90 |
| 2017-2018 (Budgeted) | 19,119,638 | 80,728,938 | 23.68 |
| 2018-2019 (Proposed) | 18,868,831 | 82,898,692 | 22.76 |

⁽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 2013-2014 fiscal year, the estimated payments for the current fiscal year, and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | ERS | <u>TRS</u> |
|-----------------------|-------------|-------------|
| 2013-2014 | \$1,650,928 | \$3,432,879 |
| 2014-2015 | 1,725,018 | 4,667,512 |
| 2015-2016 | 1,630,005 | 5,123,299 |
| 2016-2017 | 1,402,601 | 4,016,868 |
| 2017-2018 (Estimated) | 1,385,753 | 3,716,344 |
| 2018-2019 (Proposed) | 1,618,000 | 4,300,000 |

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

GASB 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, 2017, 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 \$160,779,846. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$160,779,846. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$65,013,551. The District's annual OPEB expense was \$15,938,947 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$3,291,805 to the Plan for the fiscal year ending June 30, 2017, resulting in a net increase to its unfunded OPEB obligation of \$12,647,142, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$77,660,693. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – GASB and OPER"

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 \$2,790,125 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$3,206,170 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|---------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$2,817,900 | - | \$2,817,900 |
| 2018-2019 | 2,448,500 | \$173,296 | 2,621,796 |
| 2019-2020 | 2,445,713 | 189,650 | 2,635,363 |
| 2020-2021 | 2,448,863 | 195,250 | 2,644,113 |
| 2021-2022 | 2,455,025 | 190,450 | 2,645,475 |
| 2022-2023 | 2,436,206 | 190,650 | 2,626,856 |
| 2023-2024 | 1,739,506 | 190,650 | 1,930,156 |
| 2024-2025 | 1,405,606 | 189,150 | 1,594,756 |
| 2025-2026 | 1,322,456 | 187,400 | 1,509,856 |
| 2026-2027 | 1,320,206 | 195,400 | 1,515,606 |
| 2027-2028 | 1,121,156 | 192,650 | 1,313,806 |
| 2028-2029 | 915,781 | 189,650 | 1,105,431 |
| 2029-2030 | 919,869 | 191,400 | 1,111,269 |
| 2030-2031 | 621,906 | 189,400 | 811,306 |
| 2031-2032 | 182,025 | 57,200 | 239,225 |
| 2032-2033 | 182,975 | = | 182,975 |
| 2033-2034 | 178,600 | - | 178,600 |
| 2034-2035 | 178,600 | - | 178,600 |
| 2035-2036 | 178,400 | - | 178,400 |
| 2036-2037 | 183,000 | - | 183,000 |
| 2037-2038 | 182,200 | - | 182,200 |
| 2038-2039 | 181,200 | - | 181,200 |
| 2039-2040 | 180,000 | - | 180,000 |
| 2040-2041 | 178,600 | - | 178,600 |
| 2041-2042 | 182,000 | - | 182,000 |
| | | | |

⁽¹⁾ Schedule does not include remaining payments of \$1,220,000 due under an energy performance contract.

Historical Disclosure Compliance

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

• Due to a clerical error, the Bond Call Notice for the \$3,890,000 School District (Serial) Bonds, 2005 Series B was not filed to EMMA within a timely manner prior to its call date on May 1, 2015. The notice was posted to EMMA on June 27, 2014 and a failure to file notice was posted to EMMA on June 30, 2014.

The information contained under this subheading "Historical Disclosure Compliance" does not constitute operating data and annual financial information for purposes of DASNY's continuing disclosure agreement.

APPENDIX C-18 DESCRIPTION OF FRANKFORT-SCHUYLER CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-18 a brief description of the Frankfort-Schuyler 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 central New York State, in the western sector of Herkimer County. The City of Utica is located approximately 5 miles to the west and the City of Little Falls is approximately 11 miles to the east. Major highways serving the District include Interstate #90 and New York State Routes #35 and #5S.

The District encompasses approximately 70 square miles. The character of the District is primarily residential and agricultural in nature. The Village of Frankfort is the commercial center of the District.

Major airline service is provided at the Syracuse Hancock International Airport, which is located about 55 miles to the west of the District.

Population

The current estimated population of the District is 7,226. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|---------------------------------------|-------------------|------------------|
| Remington Arms Co (1) | Manufacturing | 920 |
| Herkimer County Government & Agencies | County Government | 643 |
| Wal-Mart Supercenter | Retail/Grocery | 400 |
| Little Falls Hospital | Hospital | 328 |
| Herkimer County Community College | Higher Education | 307 |

(1) The Remington Arms Company is one of the area's largest employer, located in nearby Ilion, NY. Remington Arms manufactures sporting goods for hunting, shooting sports and fishing and is a leading rifle manufacturer in the United States. Concerns have been raised about the company's future in Ilion after the Legislature passed the NY SAFE Act banning the sale of military-style rifles, including the Bushmaster product made at the plant. In February 2014, Remington Outdoor Co., Remington Arms parent company, announced the consolidation of multiple plants into a facility in Huntsville, Alabama. In May 2014, Remington Arms confirmed that the Ilion plant's Bushmaster and R1 lines would be moved to Alabama. By November 2014, Remington Arms had laid off 231 employees. In March 2017, Remington Arms had laid off an additional 122 employees, and had recently announced in September 2017 that it would lay off an additional 55 employees. Remington Arms currently employs approximately 920 people, down from approximately 1,300 in 2013. In October 2017, the company announced plans to move forward with temporary employee furloughs in 2017 to cut costs, which include up to 11 days without pay through the end of 2017. On March 26, 2018, the company announced it would file for Chapter 11 bankruptcy. The company plans to keep operating its Ilion plant as it seeks to restructure its finances. It is not clear at this time what impact the bankruptcy reorganization might have on the future employment at the company's location in Ilion.

Tractor Supply Co. recently began construction in August 2017 on a distribution center located in the Town, which it expects to complete by the end of this year. The \$75 million 930,500-square-foot distribution center would sit on about 140 acres of land located within the Town's 5S South Business Park. In addition to the initial

construction, the Company will have the potential to expand this facility to over 1.2 million square-feet at a later date. The facility is expected to create 350 full-time jobs over the next six years, including 170 jobs within the first two years. Tractor Supply specializes in lawn and garden goods, outdoor equipment and similar products.

New York State and Mohawk Valley Economic Development Growth Enterprises Corporation have invested nearly \$40 million in the pre-permitting, engineering, marketing, and site development of the nearby Marcy Nanocenter at SUNY Polytechnic Institute, a 450-acre greenfield on the State University of New York Polytechnic Institute campus being marketed to the advanced manufacturing/semiconductor industry. The investments made to date amount to more than \$30 million in site grading, wetlands mitigation, road improvements, and other infrastructure improvements to make this site more attractive to semiconductor and nanoelectronics companies. The Quad-C building, a \$225 million nanotechnology project at SUNY Polytechnic Institute in Marcy, will be leased to Danfoss Silicon Power and is expected to house 300 nanotechnology employees once the facility is fully functional, which is expected by the end of this year.

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|--|-----------------------|----------------|
| National Grid | Utility | \$14,245,873 |
| R.W. Ramsey Realty Corp. (Wurth Group-Northern | Commercial | 4,454,900 |
| Safety) | | |
| Millers Grov, LLC | Commercial | 2,742,744 |
| Maplehurst Bakeries | Industrial | 2,478,840 |
| Foothills Development | Community Development | 2,000,000 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 13.0% 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 Herkimer County.

| | Year Average | | | | |
|-----------------------------------|--------------|-------------|-------------|-------------|-------------|
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Herkimer County New York State | 7.8% 7.7 | 6.7% 6.3 | 6.2% 5.3 | 5.5% 4.8 | 5.8% 4.7 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 1,033 | 1,044 | 1,019 | 1,006 | 1,011 | 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.

| Number of Employees | Bargaining Unit | Contract Expiration Date |
|------------------------|--|-----------------------------|
| 103 | Frankfort-Schuyler Teachers Association | June 30, 2018 (1) |
| 19 | Frankfort-Schuyler Support Staff (Civil Service) | June 30, 2019 |
| 4 | Frankfort-Schuyler Administrators Association | June 30, 2019 |
| 3 | Confidential Contracts (Business Office and Superintendent Office Staff) | N/A |
| 2 | Confidential Contracts (Superintendent and Business Administrator) | N/A |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property | \$354,575,457 35,457,546 |
|--|-----------------------------|
| Gross Indebtedness ⁽²⁾ | \$8,440,000 0 |
| Total Net Indebtedness | \$8,440,000 |
| Net Debt Contracting Margin | \$27,017,546 |
| Percentage of Debt Contracting Power Exhausted | 23.80% |

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

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 \$5,905,000 School District Bonds to DASNY in connection with the refunding of \$6,715,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding <u>Indebtedness</u> (1) | Exclusions(2) | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-------------|-------------------------------------|---------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Herkimer | \$6,900,000 | \$0 | \$6,900,000 | 7.36% | \$507,840 |
| Town of: | | | | | |
| Frankfort | 4,106,000 | 0 | 4,106,000 | 77.02 | 3,162,441 |
| Schuyler | 289,077 | 281,112 | 7,965 | 30.05 | 2,393 |
| Village of: | | | | | |
| Frankfort | 2,682,850 | 1,435,250 | 1,247,600 | 100.00 | 1,247,600 |
| | | | | Total | \$4,920,274 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | <u>Amount</u> | Per <u>Capita⁽²⁾</u> | Percentage of Full <u>Value⁽³⁾</u> |
|-----------------------------------|---------------|------------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$8,440,000 | \$1,168.00 | 2.38% |
| | 13,360,274 | 1,848.92 | 3.77 |

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

Cash Flow Borrowing

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

⁽²⁾ Sewer and water debt.

Based on the District's current estimated population of 7,226.

Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$354,575,457.

⁽⁴⁾ The District expects to deliver \$5,905,000 School District Bonds to DASNY in connection with the refunding of \$6,715,000 of the District's outstanding bond anticipation notes. 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.

Capital Project Plans

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

FINANCIAL FACTORS

General Information

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

Frankfort-Schuyler Central School District https://emma.msrb.org/EP1026499-EP795339-EP1196860.pdf Base CUSIP: 352410

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

Real Estate Property Tax Collection Procedure

Taxes are due and payable during the month of September. Taxes paid during the month of October are subject to a 2% penalty fee. All taxes remaining unpaid after October 31st are turned over to the County for collection. The County reimburses the District in full before the end of the District's fiscal year.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

Assessed Valuation Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Frankfort | \$215,025,651 | \$215,285,167 | \$216,599,683 | \$217,058,102 | \$217,722,840 |
| Schuyler | 44,231,983 | 44,433,812 | 44,771,969 | 47,631,904 | 46,964,361 |
| Total Assessed | | | | ** | |
| Valuation | \$259,257,634 | \$259,718,979 | \$261,371,652 | \$264,690,006 | \$264,687,201 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Frankfort | 68.44% | 70.00% | 70.10% | 71.50% | 72.00% |
| Schuyler | 90.00 | 90.00 | 90.00 | 90.00 | 90.00 |
| Taxable Full | | | | | |
| Valuation | \$363,327,903 | \$356,921,141 | \$358,733,341 | \$356,502,103 | \$354,575,457 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$7,102,999 | \$7,110,902 | \$7,217,566 | \$7,325,829 | \$7,424,728 |
| % Uncollected When Due ⁽¹⁾ | 7.53% | 7.08% | 8.03% | 7.62% | 7.24% |

⁽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 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> (1) | Total <u>Revenues⁽¹⁾</u> | Revenues Consisting of State Aid (1) |
|----------------------|-------------------------------|--|--------------------------------------|
| 2013-2014 | \$9,661,430 | \$17,597,940 | 54.90% |
| 2014-2015 | 10,184,203 | 17,982,554 | 56.63 |
| 2015-2016 | 10,550,371 | 18,536,824 | 56.92 |
| 2016-2017 | 11,354,631 | 19,330,469 | 58.74 |
| 2017-2018 (Budgeted) | 9,857,925 | 17,799,325 | 55.38 |
| 2018-2019 (Proposed) | 10,125,229 | 18,749,503 | 54.00 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2013-2014 | \$165,029 | \$931,914 |
| 2014-2015 | 143,556 | 983,716 |
| 2015-2016 | 143,917 | 809,780 |
| 2016-2017 | 146,857 | 704,000 |
| 2017-2018 (Budgeted) | 170,986 | 649,498 |
| 2018-2019 (Proposed) | 159,184 | 741,000 |

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

GASB and OPEB

The District contracted with Armory Associates LLP to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2017, 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 \$31,812,359. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$31,812,359. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$14,744,989. The District's annual OPEB expense was \$2,906,427 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$813,999 to the Plan for the fiscal year ending June 30, 2017 to 118 employees, resulting in a net increase to its unfunded OPEB obligation of \$2,092,428, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$16,837,417. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$1,788,938 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$943,558 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$252,550 | - | \$252,550 |
| 2018-2019 | 258,450 | \$588,746 | 847,196 |
| 2019-2020 | 259,150 | 590,250 | 849,400 |
| 2020-2021 | 257,550 | 590,000 | 847,550 |
| 2021-2022 | 260,800 | 589,000 | 849,800 |
| 2022-2023 | 258,750 | 592,250 | 851,000 |
| 2023-2024 | 256,550 | 589,500 | 846,050 |
| 2024-2025 | 144,200 | 586,000 | 730,200 |
| 2025-2026 | - | 586,750 | 586,750 |
| 2026-2027 | - | 591,500 | 591,500 |
| 2027-2028 | - | 590,000 | 590,000 |
| 2028-2029 | - | 587,500 | 587,500 |
| 2029-2030 | - | 594,000 | 594,000 |
| 2030-2031 | - | 594,000 | 594,000 |
| 2031-2032 | - | 592,750 | 592,750 |
| 2032-2033 | - | 320,250 | 320,250 |
| | | | |

APPENDIX C-19 DESCRIPTION OF GENESEO CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-19 a brief description of the Geneseo 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 Finger Lakes region of western New York State, in the northwest sector of Livingston County. Towns located within the District include Geneseo, Groveland, Sparta and West Sparta. The rural setting of the Towns and Village of Geneseo offer a variety of tourist attractions and higher educational opportunities are available at nearby SUNY Geneseo.

The District is close to markets and can draw upon its proximity to Rochester with one of the nation's largest work force concentrations of skilled, professional, scientific and technical employees.

Major highways serving the District include Interstate #390, western New York's only north-south expressway, provides direct access to Rochester, the New York State Thruway (Interstate #90), fourteen miles north, and the Southern Tier expressway, 25 miles south.

Population

The current estimated population of the District is 11,352. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|----------------------------------|-----------------------|------------------|
| Livingston County | County Government | 988 |
| SUNY Geneseo | State University | 840 |
| Groveland Correctional Facility | Correctional Facility | 703 |
| Kraft General Foods | Food Processing | 551 |
| Nicholas Noyes Memorial Hospital | Hospital | 450 |

Five Largest Taxpayers

| <u>Name</u> | Type | Full Valuation |
|---------------------------|-----------------|----------------|
| Galileo Apollo IV Sub LLC | Shopping Center | \$12,812,475 |
| Wal-Mart Stores East LP | Shopping Center | 14,322,900 (1) |
| Rochester Gas & Electric | Utility | 10,290,100 |
| Morgan Estates ACF LP | Aged Home | 8,882,800 |
| National Grid | Utility | 7,354,200 |

⁽¹⁾ Tax certioraris currently pending. Court proceedings have not commenced. Further information is not available at this time. The District has a tax certiorari reserve with \$266,077 in funds.

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 11.49% 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 Livingston County.

| Year | Average |
|------|---------|
|------|---------|

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-------------------|-------------|-------------|-------------|-------------|-------------|
| Livingston County | 7.0% | 5.8% | 5.3% | 4.9% | 5.1% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 876 | 877 | 880 | 880 | 853 | 872 | 867 |

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|--|------------------------------------|
| 115 | GFA | June 30, 2020 |
| 26 | CSEA | June 30, 2019 |
| 14 | Bus Drivers | June 30, 2019 |
| 20 | Instructional Support | June 30, 2020 |
| 1 | School Business Administrator ⁽¹⁾ | N/A |
| 6 | Administrators | June 30, 2019 |
| 9 | Management Confidential | June 30, 2018 (2) |

The Board of Education is expected to appoint a School Business Administrator at its May 1st board meeting and the position will be filled as of the end of May 2018.

⁽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 May 1, 2018 (1)

| \$659,407,006 65,940,701 |
|-----------------------------|
| \$14,595,000 0 |
| \$14,595,000 |
| \$51,345,701 22.13% |
| |

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

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding <u>Indebtedness</u> (1) | Exclusions(2) | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-------------|-------------------------------------|---------------|----------------------------|--------------------------|--|
| County of: | 0.45.051.621 | 04.226.121 | ¢42 (45 500 | 10.240/ | 40.004.505 |
| Livingston | \$47,971,631 | \$4,326,131 | \$43,645,500 | 18.34% | \$8,004,585 |
| Town of: | | | | | |
| Geneseo | 83,677 | 0 | 83,677 | 94.18 | 78,807 |
| Groveland | 280,000 | 0 | 280,000 | 89.05 | 249,340 |
| Sparta | 0 | 0 | 0 | 4.00 | 0 |
| West Sparta | 208,000 | 0 | 208,000 | 0.17 | 354 |
| Village of: | | | | | |
| Geneseo | 4,209,685 | 1,832,865 | 2,376,820 | 100.00 | 2,376,820 |
| | | | | Total | \$10,709,905 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$2,170,000 School District Bonds to DASNY in connection with the refunding of \$2,490,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.

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.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018 (1)

| | | Per | Percentage of Full |
|--|---------------|-----------------------|-----------------------|
| | Amount | Capita ⁽²⁾ | Value ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ | \$14,595,000 | \$1,285.68 | 2.21% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 25,304,905 | 2,229.11 | 3.84 |

- (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 11,352.
- Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$659,407,006.
- (4) The District expects to deliver \$2,170,000 School District Bonds to DASNY in connection with the refunding of \$2,490,000 of the District's outstanding bond anticipation notes. 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 or Revenue Anticipation Notes for the last five fiscal years and does not expect to issue such notes in the current fiscal year.

Capital Project Plans

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

FINANCIAL FACTORS

General Information

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

Geneseo Central School District http://emma.msrb.org/ES1068708-ES834456-ES1235501.pdf

Base CUSIP: 371826

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 the 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Geneseo | \$479,610,691 | \$487,272,224 | \$495,090,132 | \$500,549,981 | \$501,199,794 |
| Groveland | 121,213,008 | 124,500,315 | 125,280,534 | 126,285,494 | 128,301,649 |
| Sparta | 3,365,106 | 3,348,204 | 3,360,213 | 3,508,114 | 3,534,631 |
| West Sparta | 106,707 | 109,191 | 111,230 | 114,103 | 141,705 |
| Total Assessed Valuation | \$604,295,512 | \$615,229,934 | \$623,842,109 | \$630,457,692 | \$633,177,779 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Geneseo | 100.00% | 100.00% | 100.00% | 99.00% | 96.00% |
| Groveland | 100.00 | 100.00 | 100.00 | 99.00 | 96.00 |
| Sparta | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| West Sparta | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Taxable Full | | | | | |
| Valuation | \$604,295,512 | \$615,229,934 | \$623,842,109 | \$636,789,363 | \$659,407,006 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|--------------|--------------|--------------|
| Total Tax Levy | \$9,222,350 | \$9,977,236 | \$10,246,621 | \$10,485,936 | \$10,749,133 |
| % Uncollected When Due ⁽¹⁾ | 4.02% | 3.76% | 4.21% | 3.10% | 3.32% |

⁽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 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> ⁽¹⁾ | Total <u>Revenues</u> ⁽¹⁾ | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|--|---|---|
| 2013-2014 | \$5,999,984 | \$16,758,126 | 35.80% |
| 2014-2015 | 7,192,547 | 18,343,816 | 39.21 |
| 2015-2016 | 7,061,723 | 18,437,755 | 38.30 |
| 2016-2017 | 7,556,671 | 19,147,497 | 39.47 |
| 2017-2018 (Budgeted) | 7,778,513 | 19,754,146 | 39.38 |
| 2018-2019 (Proposed) | 8,200,000 | 20,843,633 | 39.34 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|-------------|
| 2013-2014 | \$282,584 | \$1,090,759 |
| 2014-2015 | 268,931 | 1,167,568 |
| 2015-2016 | 184,991 | 919,351 |
| 2016-2017 | 219,780 | 831,006 |
| 2017-2018 (Budgeted) | 314,809 | 808,083 |
| 2018-2019 (Proposed) | 317,979 | 880,394 |

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

GASB and **OPEB**

The District contracted with Capital Region BOCES and Hay Group Inc. to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 75. The first actuarial valuation under GASB 75 was completed for the fiscal year ending June 30, 2017. Prior valuations performed under GASB 45 guidelines have not been restated and are not reflected in historic exhibits. The last full valuation was done for the fiscal year ending June 30, 2015 under GASB 45 guidelines. An interim valuation was done for the fiscal year ending June 30, 2016 under GASB 45.

The following outlines the changes to the Total OPEB Liability during the fiscal year, by source.

| Total OPEB Liability at June 30, 2016: | \$1,730,421 |
|--|-------------|
| Changes for the Year: | |
| Service cost | \$ 111,769 |
| Interest | 49,317 |
| Differences between expected and actual experience | 0 |
| Changes in assumptions or other inputs | (87,665) |
| Benefit payments | (58,408) |
| Net changes | \$ 15,013 |
| Total OPEB Liability at June 30, 2017: | \$1,745,434 |

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 \$519,823 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$806,166 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

| 2017-2018 \$1,991,599 - \$1,991,599 2018-2019 1,998,219 \$131,031 2,129,250 2019-2020 1,993,619 127,375 2,120,994 2020-2021 1,954,356 125,375 2,079,731 2021-2022 1,111,644 128,375 1,240,019 2022-2023 1,052,625 126,125 1,178,750 2023-2024 953,975 123,875 1,077,850 2024-2025 888,375 126,625 1,015,000 2025-2026 889,675 124,125 1,013,800 2026-2027 885,225 126,625 1,011,850 2027-2028 581,000 128,875 709,875 2028-2029 - 130,875 130,875 2029-2030 - 127,625 127,625 2030-2031 - 124,375 124,375 2031-2032 - 126,125 126,125 2033-2034 - 122,625 122,625 2033-2034 - 129,125 129,125 | Fiscal <u>Year</u> | Existing Debt Service | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|---|-----------------------|--------------------------|----------------------------|------------------------------|
| 2018-2019 1,998,219 \$131,031 2,129,250 2019-2020 1,993,619 127,375 2,120,994 2020-2021 1,954,356 125,375 2,079,731 2021-2022 1,111,644 128,375 1,240,019 2022-2023 1,052,625 126,125 1,178,750 2023-2024 953,975 123,875 1,077,850 2024-2025 888,375 126,625 1,015,000 2025-2026 889,675 124,125 1,013,800 2026-2027 885,225 126,625 1,011,850 2027-2028 581,000 128,875 709,875 2028-2029 - 130,875 130,875 2029-2030 - 127,625 127,625 2030-2031 - 124,375 124,375 124,375 2031-2032 - 126,125 126,125 122,625 2033-2034 - 122,625 122,625 122,625 2034-2035 - 131,425 131,425 131,425 | | | Service | |
| 2019-2020 1,993,619 127,375 2,120,994 2020-2021 1,954,356 125,375 2,079,731 2021-2022 1,111,644 128,375 1,240,019 2022-2023 1,052,625 126,125 1,178,750 2023-2024 953,975 123,875 1,077,850 2024-2025 888,375 126,625 1,015,000 2025-2026 889,675 124,125 1,013,800 2026-2027 885,225 126,625 1,011,850 2027-2028 581,000 128,875 709,875 2028-2029 - 130,875 130,875 2029-2030 - 127,625 127,625 2030-2031 - 124,375 124,375 2031-2032 - 126,125 126,125 2032-2033 - 122,625 122,625 2033-2034 - 129,125 129,125 2034-2035 - 131,425 131,425 2035-2036 - 128,450 128,450 | | | e121 021 | |
| 2020-2021 1,954,356 125,375 2,079,731 2021-2022 1,111,644 128,375 1,240,019 2022-2023 1,052,625 126,125 1,178,750 2023-2024 953,975 123,875 1,077,850 2024-2025 888,375 126,625 1,015,000 2025-2026 889,675 124,125 1,013,800 2026-2027 885,225 126,625 1,011,850 2027-2028 581,000 128,875 709,875 2028-2029 - 130,875 130,875 2029-2030 - 127,625 127,625 2030-2031 - 124,375 124,375 2031-2032 - 126,125 126,125 2032-2033 - 122,625 122,625 2033-2034 - 129,125 129,125 2034-2035 - 131,425 131,425 2035-2036 - 128,450 128,450 2037-2038 - 127,325 127,325 | | | | |
| 2021-2022 1,111,644 128,375 1,240,019 2022-2023 1,052,625 126,125 1,178,750 2023-2024 953,975 123,875 1,077,850 2024-2025 888,375 126,625 1,015,000 2025-2026 889,675 124,125 1,013,800 2026-2027 885,225 126,625 1,011,850 2027-2028 581,000 128,875 709,875 2028-2029 - 130,875 130,875 2029-2030 - 127,625 127,625 2030-2031 - 124,375 124,375 2031-2032 - 126,125 126,125 2032-2033 - 122,625 122,625 2033-2034 - 129,125 129,125 2034-2035 - 131,425 131,425 2035-2036 - 128,450 128,450 2037-2038 - 127,325 127,325 2038-2039 - 129,175 129,175 2039-2040< | | | | |
| 2022-2023 1,052,625 126,125 1,178,750 2023-2024 953,975 123,875 1,077,850 2024-2025 888,375 126,625 1,015,000 2025-2026 889,675 124,125 1,013,800 2026-2027 885,225 126,625 1,011,850 2027-2028 581,000 128,875 709,875 2028-2029 - 130,875 130,875 2029-2030 - 127,625 127,625 2030-2031 - 124,375 124,375 2031-2032 - 126,125 126,125 2032-2033 - 122,625 122,625 2033-2034 - 129,125 129,125 2034-2035 - 131,425 131,425 2035-2036 - 128,450 128,450 2037-2038 - 127,325 127,325 2038-2039 - 127,350 129,175 2039-2040 - 130,850 130,850 2041-2042 | | | · · | |
| 2023-2024 953,975 123,875 1,077,850 2024-2025 888,375 126,625 1,015,000 2025-2026 889,675 124,125 1,013,800 2026-2027 885,225 126,625 1,011,850 2027-2028 581,000 128,875 709,875 2028-2029 - 130,875 130,875 2029-2030 - 127,625 127,625 2030-2031 - 124,375 124,375 2031-2032 - 126,125 126,125 2032-2033 - 122,625 122,625 2033-2034 - 129,125 129,125 2034-2035 - 131,425 131,425 2035-2036 - 128,450 128,450 2036-2037 - 130,475 130,475 2038-2039 - 129,175 129,175 2039-2040 - 130,850 130,850 2040-2041 - 127,350 127,350 2041-2042 - 123,850 123,850 2042-2043 - 125,350 </td <td></td> <td></td> <td></td> <td></td> | | | | |
| 2024-2025 888,375 126,625 1,015,000 2025-2026 889,675 124,125 1,013,800 2026-2027 885,225 126,625 1,011,850 2027-2028 581,000 128,875 709,875 2028-2029 - 130,875 130,875 2029-2030 - 127,625 127,625 2030-2031 - 124,375 124,375 2031-2032 - 126,125 126,125 2032-2033 - 122,625 122,625 2033-2034 - 129,125 129,125 2034-2035 - 131,425 131,425 2035-2036 - 128,450 128,450 2036-2037 - 130,475 130,475 2037-2038 - 127,325 127,325 2038-2039 - 129,175 129,175 2039-2040 - 130,850 130,850 2041-2042 - 123,850 123,850 2042-2043 - 125,350 125,350 2043-2044 - 126,675 | | | · · | |
| 2025-2026 889,675 124,125 1,013,800 2026-2027 885,225 126,625 1,011,850 2027-2028 581,000 128,875 709,875 2028-2029 - 130,875 130,875 2029-2030 - 127,625 127,625 2030-2031 - 124,375 124,375 2031-2032 - 126,125 126,125 2032-2033 - 122,625 122,625 2033-2034 - 129,125 129,125 2034-2035 - 131,425 131,425 2035-2036 - 128,450 128,450 2036-2037 - 130,475 130,475 2037-2038 - 127,325 127,325 2038-2039 - 129,175 129,175 2039-2040 - 130,850 130,850 2040-2041 - 123,850 123,850 2041-2042 - 123,850 125,350 2042-2043 - 126,675 126,675 2043-2044 - 122,688 12 | | · · | · · | |
| 2026-2027 885,225 126,625 1,011,850 2027-2028 581,000 128,875 709,875 2028-2029 - 130,875 130,875 2029-2030 - 127,625 127,625 2030-2031 - 124,375 124,375 2031-2032 - 126,125 126,125 2032-2033 - 122,625 122,625 2033-2034 - 129,125 129,125 2034-2035 - 131,425 131,425 2035-2036 - 128,450 128,450 2036-2037 - 130,475 130,475 2037-2038 - 127,325 127,325 2038-2039 - 129,175 129,175 2039-2040 - 130,850 130,850 2040-2041 - 123,850 123,850 2041-2042 - 123,850 125,350 2042-2043 - 125,350 125,350 2043-2044 - 126,675 126,675 2044-2045 - 122,688 122,688 <td></td> <td></td> <td>•</td> <td></td> | | | • | |
| 2027-2028 581,000 128,875 709,875 2028-2029 - 130,875 130,875 2029-2030 - 127,625 127,625 2030-2031 - 124,375 124,375 2031-2032 - 126,125 126,125 2032-2033 - 122,625 122,625 2033-2034 - 129,125 129,125 2034-2035 - 131,425 131,425 2035-2036 - 128,450 128,450 2036-2037 - 130,475 130,475 2037-2038 - 127,325 127,325 2038-2039 - 129,175 129,175 2039-2040 - 130,850 130,850 2040-2041 - 127,350 127,350 2041-2042 - 123,850 123,850 2042-2043 - 125,350 125,350 2043-2044 - 126,675 126,675 2044-2045 - 128,700 128,700 | | , | | |
| 2028-2029 - 130,875 130,875 2029-2030 - 127,625 127,625 2030-2031 - 124,375 124,375 2031-2032 - 126,125 126,125 2032-2033 - 122,625 122,625 2033-2034 - 129,125 129,125 2034-2035 - 131,425 131,425 2035-2036 - 128,450 128,450 2036-2037 - 130,475 130,475 2037-2038 - 127,325 127,325 2038-2039 - 129,175 129,175 2039-2040 - 130,850 130,850 2040-2041 - 127,350 127,350 2041-2042 - 123,850 123,850 2042-2043 - 125,350 125,350 2043-2044 - 126,675 126,675 2044-2045 - 122,688 122,688 2045-2046 - 128,700 128,700 | | | · · | |
| 2029-2030 - 127,625 127,625 2030-2031 - 124,375 124,375 2031-2032 - 126,125 126,125 2032-2033 - 122,625 122,625 2033-2034 - 129,125 129,125 2034-2035 - 131,425 131,425 2035-2036 - 128,450 128,450 2036-2037 - 130,475 130,475 2037-2038 - 127,325 127,325 2038-2039 - 129,175 129,175 2039-2040 - 130,850 130,850 2040-2041 - 127,350 127,350 2041-2042 - 123,850 123,850 2042-2043 - 125,350 125,350 2043-2044 - 126,675 126,675 2044-2045 - 128,700 128,700 | 2027-2028 | 581,000 | | , |
| 2030-2031 - 124,375 124,375 2031-2032 - 126,125 126,125 2032-2033 - 122,625 122,625 2033-2034 - 129,125 129,125 2034-2035 - 131,425 131,425 2035-2036 - 128,450 128,450 2036-2037 - 130,475 130,475 2037-2038 - 127,325 127,325 2038-2039 - 129,175 129,175 2039-2040 - 130,850 130,850 2040-2041 - 127,350 127,350 2041-2042 - 123,850 123,850 2042-2043 - 125,350 125,350 2043-2044 - 126,675 126,675 2044-2045 - 122,688 122,688 2045-2046 - 128,700 128,700 | 2028-2029 | - | 130,875 | 130,875 |
| 2031-2032 - 126,125 126,125 2032-2033 - 122,625 122,625 2033-2034 - 129,125 129,125 2034-2035 - 131,425 131,425 2035-2036 - 128,450 128,450 2036-2037 - 130,475 130,475 2037-2038 - 127,325 127,325 2038-2039 - 129,175 129,175 2039-2040 - 130,850 130,850 2040-2041 - 127,350 127,350 2041-2042 - 123,850 123,850 2042-2043 - 125,350 125,350 2043-2044 - 126,675 126,675 2044-2045 - 122,688 122,688 2045-2046 - 128,700 128,700 | 2029-2030 | - | 127,625 | 127,625 |
| 2032-2033 - 122,625 122,625 2033-2034 - 129,125 129,125 2034-2035 - 131,425 131,425 2035-2036 - 128,450 128,450 2036-2037 - 130,475 130,475 2037-2038 - 127,325 127,325 2038-2039 - 129,175 129,175 2039-2040 - 130,850 130,850 2040-2041 - 127,350 127,350 2041-2042 - 123,850 123,850 2042-2043 - 125,350 125,350 2043-2044 - 126,675 126,675 2044-2045 - 122,688 122,688 2045-2046 - 128,700 128,700 | 2030-2031 | - | 124,375 | 124,375 |
| 2033-2034 - 129,125 129,125 2034-2035 - 131,425 131,425 2035-2036 - 128,450 128,450 2036-2037 - 130,475 130,475 2037-2038 - 127,325 127,325 2038-2039 - 129,175 129,175 2039-2040 - 130,850 130,850 2040-2041 - 127,350 127,350 2041-2042 - 123,850 123,850 2042-2043 - 125,350 125,350 2043-2044 - 126,675 126,675 2044-2045 - 122,688 122,688 2045-2046 - 128,700 128,700 | 2031-2032 | - | 126,125 | 126,125 |
| 2034-2035 - 131,425 131,425 2035-2036 - 128,450 128,450 2036-2037 - 130,475 130,475 2037-2038 - 127,325 127,325 2038-2039 - 129,175 129,175 2039-2040 - 130,850 130,850 2040-2041 - 127,350 127,350 2041-2042 - 123,850 123,850 2042-2043 - 125,350 125,350 2043-2044 - 126,675 126,675 2044-2045 - 122,688 122,688 2045-2046 - 128,700 128,700 | 2032-2033 | - | 122,625 | 122,625 |
| 2035-2036 - 128,450 128,450 2036-2037 - 130,475 130,475 2037-2038 - 127,325 127,325 2038-2039 - 129,175 129,175 2039-2040 - 130,850 130,850 2040-2041 - 127,350 127,350 2041-2042 - 123,850 123,850 2042-2043 - 125,350 125,350 2043-2044 - 126,675 126,675 2044-2045 - 122,688 122,688 2045-2046 - 128,700 128,700 | 2033-2034 | - | 129,125 | 129,125 |
| 2036-2037 - 130,475 130,475 2037-2038 - 127,325 127,325 2038-2039 - 129,175 129,175 2039-2040 - 130,850 130,850 2040-2041 - 127,350 127,350 2041-2042 - 123,850 123,850 2042-2043 - 125,350 125,350 2043-2044 - 126,675 126,675 2044-2045 - 122,688 122,688 2045-2046 - 128,700 128,700 | 2034-2035 | - | 131,425 | 131,425 |
| 2037-2038 - 127,325 127,325 2038-2039 - 129,175 129,175 2039-2040 - 130,850 130,850 2040-2041 - 127,350 127,350 2041-2042 - 123,850 123,850 2042-2043 - 125,350 125,350 2043-2044 - 126,675 126,675 2044-2045 - 122,688 122,688 2045-2046 - 128,700 128,700 | 2035-2036 | - | 128,450 | 128,450 |
| 2038-2039 - 129,175 129,175 2039-2040 - 130,850 130,850 2040-2041 - 127,350 127,350 2041-2042 - 123,850 123,850 2042-2043 - 125,350 125,350 2043-2044 - 126,675 126,675 2044-2045 - 122,688 122,688 2045-2046 - 128,700 128,700 | 2036-2037 | - | 130,475 | 130,475 |
| 2038-2039 - 129,175 129,175 2039-2040 - 130,850 130,850 2040-2041 - 127,350 127,350 2041-2042 - 123,850 123,850 2042-2043 - 125,350 125,350 2043-2044 - 126,675 126,675 2044-2045 - 122,688 122,688 2045-2046 - 128,700 128,700 | 2037-2038 | - | 127,325 | 127,325 |
| 2039-2040 - 130,850 130,850 2040-2041 - 127,350 127,350 2041-2042 - 123,850 123,850 2042-2043 - 125,350 125,350 2043-2044 - 126,675 126,675 2044-2045 - 122,688 122,688 2045-2046 - 128,700 128,700 | 2038-2039 | - | | |
| 2040-2041 - 127,350 127,350 2041-2042 - 123,850 123,850 2042-2043 - 125,350 125,350 2043-2044 - 126,675 126,675 2044-2045 - 122,688 122,688 2045-2046 - 128,700 128,700 | 2039-2040 | _ | · · | |
| 2041-2042 - 123,850 123,850 2042-2043 - 125,350 125,350 2043-2044 - 126,675 126,675 2044-2045 - 122,688 122,688 2045-2046 - 128,700 128,700 | 2040-2041 | _ | 127,350 | 127,350 |
| 2042-2043 - 125,350 125,350 2043-2044 - 126,675 126,675 2044-2045 - 122,688 122,688 2045-2046 - 128,700 128,700 | 2041-2042 | _ | | , |
| 2043-2044 - 126,675 126,675 2044-2045 - 122,688 122,688 2045-2046 - 128,700 128,700 | | _ | | |
| 2044-2045 - 122,688 122,688 2045-2046 - 128,700 128,700 | | _ | · · | |
| 2045-2046 - 128,700 128,700 | | _ | | |
| | | _ | · · | |
| | | - | · · | |

Recent Late Payment of Interest

On August 30, 2017 the District filed a material event notice stating that on August 15, 2017, the District inadvertently missed a principal and interest payment due on its Statutory Installment Bond, 2016 in the total amount of \$255,470. As a result of a clerical error, the payment was not made until August 17, 2017. The District has rectified the oversight and foresees no reason to believe the oversight will happen again in the future.

APPENDIX C-20 DESCRIPTION OF GOUVERNEUR CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-20 a brief description of the Gouverneur 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 counties of St. Lawrence and Jefferson. The City of Watertown is approximately 35 miles to the southwest, the Village of Canton approximately 20 miles northeast and the City of Ogdensburg 30 miles to the north. Major highways bisecting the District include U.S. Route # 11 and State highway #58.

The land area of the District is approximately 226 square miles and includes portions of the Towns of De Kalb, Edwards, Fowler, Gouverneur, Hermon, Macomb, Pitcairn, Rossie, and Antwerp.

The Village of Gouverneur is the commercial center for the District. The District is mainly residential and agricultural in nature.

Fort Drum, located in Jefferson County approximately 30 miles to the south of the District, is home to the U.S. Army's 10th Mountain Division (light infantry) and employs some 19,065 soldiers. Family members of these soldiers add another 12,215 residents to the area population. In addition, the post employs some 4,739 civilian workers.

Population

The current estimated population of the District is 11,008. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|------------------------------------|-----------------------|------------------|
| Kinney Drugs, Inc. | Retail Store/Pharmacy | 405 |
| Gouverneur Correctional Facility | NYS Prison | 391 |
| Gouverneur Central School District | Public Education | 348 |
| Gouverneur Hospital | Hospital | 205 |
| Cives Steel | Manufacturing | 140 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|-------------------------|-----------------------|----------------|
| National Grid | Utility | \$22,970,592 |
| St. Lawrence Zinc | Mines | 19,437,859 |
| Fowler Hydro, LLC | Manufacturing | 7,445,336 |
| CSX Transportation Inc. | Railroad | 5,242,112 |
| Kinney Drugs, Inc. | Retail Store/Pharmacy | 4,974,378 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 17.08% of the tax base of the District.

Unemployment Rate Statistics

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

| Year A | Average |
|--------|---------|
|--------|---------|

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------|-------------|-------------|-------------|-------------|-------------|
| Jefferson County | 9.2% | 7.6% | 6.6% | 6.2% | 6.6% |
| St. Lawrence County | 9.1 | 7.7 | 7.3 | 6.6 | 6.8 |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.6 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | J | Projected <u>2019-20</u> |
|----------|----------------|----------------|----------------|----------------|----------------|-------|--------------------------|
| Pre-K-12 | 1,647 | 1,689 | 1,675 | 1,600 | 1,570 | 1,575 | 1,575 |

District Employees

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

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|---|------------------------------------|
| 147 | Gouverneur Teachers' Association | June 30, 2017 ⁽¹⁾ |
| 82 | Gouverneur School Related Personnel Union | June 30, 2021 |
| 6 | Gouverneur Administrators' Association | June 30, 2021 |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | |
|---|-------------------|
| Gross Indebtedness ⁽²⁾ | \$27,250,000 0 |
| Total Net Indebtedness | |
| Net Debt Contracting Margin | \$18,780,494 |
| Percentage of Debt Contracting Power Exhausted | 59.20% |

- (1) The District has not incurred any indebtedness since the date of this table.
- 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 \$18,940,000 School District Bonds to DASNY in connection with the refunding of \$21,385,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- 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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding Indebtedness ⁽¹⁾ | Exclusions ⁽²⁾ | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|--------------|--|---------------------------|----------------------------|-----------------------------|--|
| Counties of: | | | | | |
| Jefferson | \$17,030,000 | \$0 | \$17,030,000 | 0.03% | \$5,109 |
| St. Lawrence | 39,775,000 | 0 | 39,775,000 | 8.16 | 3,245,640 |
| Towns of: | | | | | |
| Antwerp | 0 | 0 | 0 | 2.58 | 0 |
| De Kalb | 197,752 | 0 | 197,752 | 23.82 | 47,105 |
| Edwards | 875,694 | 0 | 875,694 | 9.51 | 83,278 |
| Fowler | 0 | 0 | 0 | 100.00 | 0 |
| Gouverneur | 545,826 | 0 | 545,826 | 99.60 | 543,643 |
| Hermon | 0 | 0 | 0 | 8.97 | 0 |
| Macomb | 0 | 0 | 0 | 44.00 | 0 |
| Pitcairn | 0 | 0 | 0 | 1.91 | 0 |
| Rossie | 0 | 0 | 0 | 51.57 | 0 |
| Village of: | | | | | |
| Gouverneur | 3,826,818 | 0 | 3,826,818 | 100.00 | 3,826,818 |
| | | | | Total | \$7,751,593 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | | Per | Percentage of Full |
|--|---------------|-----------------------|-----------------------|
| | Amount | Capita ⁽²⁾ | Value ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ | \$27,250,000 | \$2,475.47 | 5.92% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 35,001,593 | 3,179.65 | 7.60 |

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

Cash Flow Borrowing

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

⁽²⁾ Sewer and water debt.

Based on the District's current estimated population of 11,008.

Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$460,304,940.

⁽⁴⁾ The District expects to deliver \$18,940,000 School District Bonds to DASNY in connection with the refunding of \$21,385,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Capital Project Plans

After the issuance of the DASNY bonds, the District will have \$7,590,000 remaining in this bond authorization pursuant to a bond resolution adopted by the Board of Education of the District on March 23, 2015 for a capital improvement project for which the bonds are currently being issued. The District is currently awaiting State Education Department's approval on the final plans and specifications and anticipates borrowing this remaining portion of the authorization, minus anticipated EXCEL Aid of no more than \$815,855, as early as the fall of 2018.

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.

Gouverneur Central School District https://emma.msrb.org/ER1099669-ER860295-ER1260992.pdf Base CUSIP: 383622

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 the Counties for collection. The District receives this amount from said Counties prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the Counties.

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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Antwerp | \$2,410,252 | \$2,396,513 | \$2,328,295 | \$2,264,393 | \$2,203,299 |
| De Kalb | 25,570,699 | 25,127,578 | 25,236,880 | 25,621,124 | 25,612,704 |
| Edwards | 5,326,318 | 5,326,619 | 5,332,097 | 5,218,507 | 5,139,669 |
| Fowler | 18,905,334 | 18,925,258 | 18,442,937 | 18,374,800 | 17,725,624 |
| Gouverneur | 200,530,682 | 199,426,822 | 200,927,195 | 203,282,891 | 205,315,186 |
| Hermon | 7,235,996 | 7,185,160 | 6,779,990 | 6,791,279 | 6,766,525 |
| Macomb | 20,792,377 | 20,775,318 | 20,724,312 | 20,688,732 | 20,857,252 |
| Pitcairn | 1,192,590 | 1,152,445 | 1,134,351 | 1,167,084 | 1,149,772 |
| Rossie | 19,537,078 | 19,361,674 | 19,432,782 | 19,434,435 | 19,624,295 |
| Total Assessed Valuation | \$301,501,326 | \$299,677,387 | \$300,338,839 | \$302,843,245 | \$304,394,326 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Antwerp | 100.00% | 100.00% | 100.00% | 90.00% | 91.00% |
| De Kalb | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Edwards | 100.00 | 100.00 | 98.50 | 97.50 | 93.00 |
| Fowler | 14.25 | 14.00 | 13.50 | 13.00 | 12.50 |
| Gouverneur | 92.50 | 92.50 | 92.50 | 95.00 | 95.23 |
| Hermon | 100.00 | 100.00 | 100.00 | 100.00 | 98.00 |
| Macomb | 56.00 | 56.00 | 53.50 | 53.50 | 53.50 |
| Pitcairn | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Rossie | 100.00 | 97.00 | 97.00 | 88.00 | 88.00 |
| Taxable Full | | | | | |
| Valuation | \$447,861,113 | \$449,024,563 | \$453,496,575 | \$457,529,510 | \$460,304,940 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$5,474,505 | \$5,567,516 | \$5,726,982 | \$5,858,408 | \$5,974,396 |
| % Uncollected When Due ⁽¹⁾ | 16.32% | 17.54% | 16.70% | 19.96% | 12.17% |

⁽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 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> (1) | Total <u>Revenues⁽¹⁾</u> | Revenues Consisting of State Aid (1) |
|----------------------|-------------------------------|--|--------------------------------------|
| 2013-2014 | \$23,050,183 | \$29,011,702 | 79.45% |
| 2014-2015 | 23,875,097 | 30,035,359 | 79.49 |
| 2015-2016 | 24,189,676 | 30,307,697 | 79.81 |
| 2016-2017 | 25,182,995 | 31,575,307 | 79.76 |
| 2017-2018 (Budgeted) | 25,364,285 | 31,582,981 | 80.31 |
| 2018-2019 (Proposed) | \$26,680,384 | \$33,182,212 | 80.41 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|-------------|
| 2013-2014 | \$625,375 | \$1,052,455 |
| 2014-2015 | 483,396 | 1,447,357 |
| 2015-2016 | 460,839 | 1,645,624 |
| 2016-2017 | 445,875 | 1,304,160 |
| 2017-2018 (Budgeted) | 500,000 | 915,000 |
| 2018-2019 (Proposed) | 495,290 | 1,081,276 |

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

GASB 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, 2016, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$78,592,898. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$78,592,898. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$37,101,611. The District's annual OPEB expense was \$6,918,578 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$2,043,113 to the Plan for the fiscal year ending June 30, 2017 to 370 employees, resulting in a net increase to its unfunded OPEB obligation of \$4,875,465, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$41,977,076. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$447,283 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$1,601,872 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|---------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$896,531 | - | \$896,531 |
| 2018-2019 | 896,331 | \$2,116,883 | 3,013,214 |
| 2019-2020 | 900,831 | 1,913,500 | 2,814,331 |
| 2020-2021 | 899,931 | 1,948,000 | 2,847,931 |
| 2021-2022 | 897,719 | 1,933,250 | 2,830,969 |
| 2022-2023 | 898,125 | 1,926,500 | 2,824,625 |
| 2023-2024 | 902,000 | 1,907,250 | 2,809,250 |
| 2024-2025 | 95,900 | 1,866,000 | 1,961,900 |
| 2025-2026 | 98,088 | 1,853,750 | 1,951,838 |
| 2026-2027 | - | 1,849,000 | 1,849,000 |
| 2027-2028 | - | 1,861,250 | 1,861,250 |
| 2028-2029 | - | 1,839,500 | 1,839,500 |
| 2029-2030 | - | 1,825,250 | 1,825,250 |
| 2030-2031 | - | 1,793,000 | 1,793,000 |
| 2031-2032 | - | 1,763,500 | 1,763,500 |
| 2032-2033 | - | 871,500 | 871,500 |

APPENDIX C-21 DESCRIPTION OF GREECE CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-21 a brief description of the Greece 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, organized in 1955, is located in the Town of Greece in Monroe County, a suburb northwest of Rochester, New York, bordering on Lake Ontario. The District covers approximately 42 square miles. As the largest suburban school district in Monroe County, the District serves a predominantly residential community with a strong commercial and industrial base.

Transportation is provided by New York State Route #104 and Interstate #390 with access to the New York State Thruway (Interstate #90) at Exit 46. Rail transportation is provided by Conrail. The area is also served with air transportation at the Greater Rochester International Airport. Bus lines and the State Barge Canal provide additional means of transportation.

Electricity and natural gas are provided by Rochester Gas & Electric Corporation; and telephone service is provided by Frontier Telephone Inc. Police protection is provided by the Town of Greece. Additional police protection is provided by the County Sheriff's Department and the New York State Police.

The District provides public education for grades Pre-K-12. Opportunities for higher education include the many colleges and universities in and around the Rochester and Monroe County area.

Population

The current estimated population of the District is 82,905. (Source: 2016 U.S. Census Bureau estimate)

| Five | Largest | Employers |
|------|----------|-----------|
| (1) | <u> </u> | |

| <u>Name</u> | Type | Employees |
|----------------------------|---|------------------|
| University of Rochester | Higher Education/ Research/Health Care | 28,923 |
| Rochester Regional Health | Integrated Health Care Services | 15,753 |
| Wegmans Food Markets, Inc. | Supermarkets | $13,606^{(2)}$ |
| Xerox Corporation | Document Systems, Software, Services & Supplies | 6,051 |
| Rochester General Hospital | Health Care | 5,078 |

- (1) All employers are located within Monroe County.
- ⁽²⁾ Includes employees in Genesee, Livingston, Monroe, Ontario, Orleans and Wayne Counties.

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|--------------------------------------|-----------------|----------------|
| Rochester Gas & Electric Corporation | Utility | \$154,221,936 |
| Wegmans Food Markets, Inc. | Supermarket | 44,891,600 |
| Ortho-Clinical Diagnostics, Inc. | Manufacturer | 29,900,000 |
| Frontier New York, Inc. | Utility | 22,273,669 |
| Elmridge Associates | Shopping Center | 21,100,666 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 8.11% 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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|
| Monroe County | 7.0% | 5.8% | 5.1% | 4.7% | 5.0% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.6 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|----------|----------------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| Pre-K-12 | 11,372 | 11,187 | 11,185 | 10,957 | 10,515 | 10,400 | 10,357 |

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.

| Number of Employees | Bargaining Unit | Contract Expiration Date |
|------------------------|--|----------------------------------|
| 1,049 | Greece Teachers' Association | June 30, 2018 ⁽¹⁾ |
| 730 | Teamsters Local #118 | June 30, 2017 ⁽²⁾ |
| 583 | Non-Unit, Community Education Itinerant Staff | Not Applicable |
| 374 | Association of Greece Central Education Personnel | June 30, 2016 ⁽²⁾ |
| 334 | Greece United Substitute Teachers' Association | June 30, 2021 |
| 109 | Greece United Support Staff | December 31, 2017 ⁽³⁾ |
| 58 | Greece Administrators' & Supervisors' Association | December 31, 2021 |
| 30 | Greece Exempt Support Staff | Not Applicable |
| 11 | Greece Teachers' Association (Adult Literacy Teachers' Unit) | June 30, 2018 ⁽¹⁾ |

⁽¹⁾ Preliminary discussions are in process, but full negotiations have not yet begun.

⁽²⁾ Currently under negotiations.

⁽³⁾ A tentative agreement has been signed.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$4,382,697,673 438,269,767 |
|---|--------------------------------|
| Gross Indebtedness ⁽²⁾ | \$102,424,324 0 |
| Total Net Indebtedness | \$102,424,324 |
| Net Debt Contracting Margin | \$335,845,443 |
| Percentage of Debt Contracting Power Exhausted | 23.37% |

- The District has not incurred any indebtedness since the date of this table.
- 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 \$7,660,000 School District Bonds to DASNY in connection with the refunding of \$7,320,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- 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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding <u>Indebtedness</u> (1) | Exclusions(2) | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|----------------------|-------------------------------------|---------------|----------------------------|--------------------------|--|
| County of: Monroe | \$809,641,145 | \$0 | \$809,641,145 | 10.73% | \$86,874,495 |
| Town of: Greece | 30,159,000 | 0 | 30,159,000 | 86.47 | 26,078,487 |
| Greece | 30,137,000 | O | 30,137,000 | Total | \$112,952,982 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

⁽²⁾ Information not available.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | <u>Amount</u> | Per <u>Capita⁽²⁾</u> | Percentage of Full <u>Value⁽³⁾</u> |
|--|---------------|------------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$104,424,324 | \$1,235.44 | 2.34% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 215,377,306 | 2,597.88 | 4.91 |

- (1) The District has not incurred any indebtedness since the date of the above table.
- Based on the District's current estimated population of 82,905.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$4,382,697,673.
- The District expects to deliver \$7,660,000 School District Bonds to DASNY in connection with the refunding of \$7,320,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

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

Capital Project Plans

After the issuance of the Bonds, \$26,500,000 of the \$35,000,000 Capital Project for which the School District Bonds are being issued will remain authorized but unissued. The District anticipates borrowing an additional \$20,835,535 by the summer of 2019. The District anticipates funding the remainder of the authorization with Capital Reserve funds and insurance proceeds.

On October 24, 2017, the Board of Education adopted a resolution authorizing an emergency project at a maximum cost of \$1,970,000 to correct widespread delamination of fireproofing in the Arcadia Middle School. The District plans on utilizing fund balance to cover the cost of this project and will not be obtaining financing therefor.

On May 15, 2018 the District voters will consider a proposition for the reconstruction of the Olympia High School water system at an estimated maximum cost of \$624,000. If approved by the voters, the District may obtain financing in the amount of \$624,000 in the summer of 2018.

On May 15, 2018 the District voters will consider a proposition for the acquisition of school buses at an estimated cost of \$2,679,472. If approved by the voters, the District may obtain financing for the buses in December of 2018. However, as of the date of this Appendix C, the dollar amount 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.

Greece Central School District https://emma.msrb.org/ER1094930-EP796718-EP1198230.pdf Base CUSIP: 392460

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 30, no penalty is imposed. There is a 2% penalty if paid by the end of October. Taxpayers may elect a three-payment plan with payments due on September 15th, October 15th, and November 15th. There is a 0.1% service charge under this plan, with an additional 1% added to payments made after the 15th of any of the three months.

On November 1st, a list of all unpaid taxes is given to the County for relevy on County/Town tax rolls. The District is reimbursed by the County 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|--------------------|--------------------|-----------------|-----------------|-----------------|
| Town of: Greece | \$4,235,547,594(1) | \$4,322,611,673(1) | \$4.358.975.115 | \$4,373,763,383 | \$4,382,697,673 |
| Total Assessed Valuation | \$4,235,547,594 | \$4,322,611,673 | \$4,358,975,115 | \$4,373,763,383 | \$4,382,697,673 |

⁽¹⁾ Difference due to townwide revaluation.

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Town of: | | | | | |
| Greece | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Taxable Full | | | | | |
| Valuation | \$4,235,547,594 | \$4,322,611,673 | \$4,358,975,115 | \$4,373,763,383 | \$4,382,697,673 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|--------------|---------------|---------------|---------------|---------------|
| Total Tax Levy | \$99,741,682 | \$101,354,831 | \$103,275,976 | \$104,293,488 | \$106,230,060 |
| % Uncollected When Due ⁽¹⁾ | 3.03% | 2.99% | 3.09% | 2.70% | 2.72% |

⁽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 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid⁽¹⁾</u> | Total <u>Revenues</u> (1) | Revenues Consisting of State Aid (1) |
|----------------------|---|------------------------------|--------------------------------------|
| 2013-2014 | \$77,669,137 | \$199,075,377 | 39.01% |
| 2014-2015 | 82,804,194 | 209,076,346 | 39.60 |
| 2015-2016 | 87,720,295 | 209,262,551 | 41.92 |
| 2016-2017 | 97,370,402 | 219,393,984 | 44.38 |
| 2017-2018 (Budgeted) | 96,140,615 | 220,809,116 | 43.54 |
| 2018-2019 (Proposed) | 97,515,281 | 231,322,140 | 42.16 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|-------------|--------------|
| 2013-2014 | \$4,754,344 | \$13,841,260 |
| 2014-2015 | 4,721,918 | 15,031,523 |
| 2015-2016 | 4,431,568 | 11,635,985 |
| 2016-2017 | 3,879,637 | 10,518,162 |
| 2017-2018 (Budgeted) | 5,043,253 | 9,050,292 |
| 2018-2019 (Proposed) | 5,135,442 | 10,093,432 |
| | | |

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

GASB and OPEB

The District contracted with Burke Group to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2016, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$62,590,209. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$62,590,209. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$15,064,084. The District's annual OPEB expense was \$4,834,849 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$2,316,673 to the Plan for the fiscal year ending June 30, 2017 to 2,362 employees, resulting in a net increase to its unfunded OPEB obligation of \$2,518,176, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$17,582,260. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$8,113,664 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$9,017,137 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|---------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$15,769,717 | <u>-</u> | \$15,769,717 |
| 2018-2019 | 15,817,975 | \$1,954,283 | 17,772,258 |
| 2019-2020 | 14,356,762 | 2,045,500 | 16,402,262 |
| 2020-2021 | 11,551,338 | 693,750 | 12,245,088 |
| 2021-2022 | 9,389,956 | 710,250 | 10,100,206 |
| 2022-2023 | 9,043,225 | 704,750 | 9,747,975 |
| 2023-2024 | 5,951,500 | 438,250 | 6,389,750 |
| 2024-2025 | 3,692,844 | 433,750 | 4,126,594 |
| 2025-2026 | 3,023,119 | 433,750 | 3,456,869 |
| 2026-2027 | 2,176,356 | 413,000 | 2,589,356 |
| 2027-2028 | 2,179,369 | 392,500 | 2,571,869 |
| 2028-2029 | 2,180,444 | 382,250 | 2,562,694 |
| 2029-2030 | 1,821,150 | 376,750 | 2,197,900 |
| 2030-2031 | 1,425,213 | 360,750 | 1,785,963 |
| 2031-2032 | - | 349,750 | 349,750 |
| 2032-2033 | - | 178,500 | 178,500 |

APPENDIX C-22 DESCRIPTION OF HARPURSVILLE CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-22 a brief description of the Harpursville 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 southern portion of upstate New York commonly referred to as the Southern Tier. The District lies in the north-east and south-west quadrants of Broome and Chenango Counties, respectively and is within 15 miles of the City of Binghamton. Major highways serving the District include Interstate #88, State Routes #79 and #7 with access to State Route #17 and Interstate #81. Major employers within the territory of the District (and number employed) include the SUNY Binghamton (5,943), United Health Services (5,428), the County of Broome (2,500), New York State Electric and Gas Corporation (1,430) and IBM Corporation (1,100).

Electric utility services are provided by the New York State Electric & Gas Corporation. Natural gas services are provided by Columbia Gas of New York. Police services are provided by State and municipal law enforcement agencies. Fire protection is provided by volunteer forces.

Population

The current estimated population of the District is 5,127. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | Type | Employees |
|---|-------------|------------------|
| SUNY Binghamton | University | 5,943 |
| United Health Services | Medical | 5,428 |
| County of Broome | Government | 2,500 |
| New York State Electric & Gas Corporation | Utility | 1,430 |
| IBM Corporation | Technology | 1,100 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|---|----------------------|----------------|
| New York State Electric & Gas Corporation | Utility | \$7,106,113 |
| Norfolk Southern Corporation | Railroad | 4,421,849 |
| Winsor Acres Inc. | Farm | 2,552,129 |
| Sunrise Communities | Senior Citizens Home | 1,833,313 |
| Klaar, Herb | Residence | 1,217,943 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 8.0% of the tax base of the District.

Unemployment Rate Statistics

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

| Year | Average |
|------|---------|
|------|---------|

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------|-------------|-------------|-------------|-------------|-------------|
| Broome County | 7.8% | 6.6% | 6.0% | 5.4% | 5.6% |
| Chenango County | 7.3 | 6.2 | 5.5 | 5.0 | 5.4 |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | 2013-14 | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|---------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 922 | 905 | 891 | 869 | 840 | 830 | 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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|---|---------------------------------|
| 76 | Harpursville Teachers' Association | June 30, 2021 |
| 54 | Harpursville Support Staff Association | June 30, 2017 (1) |
| 21 | Harpursville Transportation Association | June 30, 2018 (1) |
| 5 | Harpursville Instructional Administrators Association | June 30, 2018 (1) |
| 2 | Harpursville Directors Association | June 30. 2018 (1) |
| 1 | Superintendent of Schools | June 30, 2022 |
| 1 | Business Administrators | June 30, 2020 |
| 2 | Harpursville Confidential Employees (Board Policy) | No expiration date |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018 (1)

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$260,484,193 26,048,419 |
|---|-----------------------------|
| Gross Indebtedness ⁽²⁾ | \$15,508,799 0 |
| Total Net Indebtedness | \$15,508,799 |
| Net Debt Contracting Margin Percentage of Debt Contracting Power Exhausted | \$10,539,620 59.54% |

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

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding <u>Indebtedness</u> (1) | Exclusions(2) | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-------------|-------------------------------------|---------------|----------------------------|-----------------------------|--|
| County of: | | | | | |
| Broome | \$138,191,235 | \$12,221,235 | \$125,970,000 | 2.44% | \$3,073,668 |
| Chenango | 0 | 0 | 0 | 1.21 | 0- |
| Town of: | | | | | |
| Afton | 0 | 0 | 0 | 6.31 | 0 |
| Colesville | 23,000 | 0 | 23,000 | 83.29 | 19,157 |
| Coventry | 0 | 0 | 0 | 17.97 | 0 |
| Fenton | 647,040 | 396,090 | 250,950 | 6.42 | 16,111 |
| Greene | 0 | 0 | 0 | 0.38 | 0 |
| Kirkwood | 1,115,000 | 1,115,000 | 0 | 2.15 | 0 |
| Sanford | 869,000 | 0 | 869,000 | 0.38 | 3,302 |
| Windsor | 5,833,927 | 0 | 5,833,927 | 0.03 | 1,750 |
| | | | | Total | \$3,113,988 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

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 \$11,705,000 School District Bonds to DASNY in connection with the refunding of \$13,687,799 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

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.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018 (1)

| | <u>Amount</u> | Per <u>Capita⁽²⁾</u> | Percentage of Full <u>Value⁽³⁾</u> |
|--|---------------|------------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$15,508,799 | \$3,024.93 | 5.95% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 18,622,787 | 3,632.30 | 7.15 |

- (1) The District has not incurred any indebtedness since the date of the above table.
- Based on the District's current estimated population of 5,127.
- Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$260,484,193.
- The District expects to deliver \$11,705,000 School District Bonds to DASNY in connection with the refunding of \$13,687,799 of the District's outstanding bond anticipation notes. 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 following is a history of Tax Anticipation Note ("TAN") and Revenue Anticipation Note ("RAN") borrowings for the last five years.

| Fiscal Year | Amount | Type | Issue Date | Due Date |
|-------------|---------------|-------------|-------------------|-----------------|
| 2016-2017 | \$2,000,000 | RAN | 7/21/2016 | 3/31/2017 |
| 2017-2018 | 2,000,000 | RAN | 7/27/2017 | 3/31/2018 |

The District anticipates having to issue a \$1,000,000 Revenue Anticipation Note this July 2018.

Capital Project Plans

The District annually issues bond anticipation notes to finance the acquisition of buses. The District currently has \$621,000 bond anticipation notes outstanding for such acquisition of buses and will mature on March 12, 2019.

The District is in the planning stages for a future capital project. The District is not certain at this time as to the actual scope and cost of the project.

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

FINANCIAL FACTORS

General Information

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

Harpursville Central School District http://emma.msrb.org/ER1114921-ER872157-ER1272858.pdf Base CUSIP: 413594

On the most current applicable report of the State Comptroller the District is classified as "moderate fiscal stress."

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 the Counties for collection. The District receives this amount from said Counties prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the Counties.

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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| Towns of: | | | | | |
| Afton | \$6,182,906 | \$6,192,256 | \$6,247,231 | \$6,232,214 | \$6,245,793 |
| Colesville | 15,584,872 | 16,618,658 | 16,838,881 | 16,846,450 | 17,138,132 |
| Coventry | 16,249,934 | 16,355,091 | 16,423,112 | 16,360,138 | 16,296,649 |
| Fenton | 13,025,097 | 12,995,859 | 12,978,460 | 13,105,160 | 13,383,572 |
| Greene | 1,062,800 | 1,062,800 | 1,116,363 | 1,116,403 | 1,116,425 |
| Kirkwood | 6,001,966 | 6,074,112 | 6,039,808 | 5,982,308 | 5,994,831 |
| Sanford | 634,800 | 634,800 | 634,800 | 636,865 | 636,865 |
| Windsor | 62,500 | 62,500 | 62,500 | 41,180 | 41,180 |
| Total Assessed Valuation | \$58,804,875 | \$59,996,076 | \$60,341,155 | \$60,320,718 | \$60,853,447 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Afton | 61.00% | 66.00% | 69.00% | 70.50% | 72.00% |
| Colesville | 7.95 | 7.95 | 8.20 | 8.20 | 8.36 |
| Coventry | 97.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Fenton | 67.50 | 69.00 | 65.80 | 67.00 | 65.00 |
| Greene | 95.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Kirkwood | 79.00 | 79.00 | 76.50 | 79.50 | 78.00 |
| Sanford | 60.00 | 57.00 | 58.50 | 59.00 | 60.00 |
| Windsor | 68.00 | 70.00 | 69.00 | 71.00 | 71.50 |
| Taxable Full | | | | | |
| Valuation | \$252,087,060 | \$263,566,118 | \$260,740,625 | \$259,983,361 | \$260,484,193 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$3,615,067 | \$3,687,369 | \$3,744,285 | \$3,857,206 | \$3,939,554 |
| % Uncollected When Due ⁽¹⁾ | 11.10% | 11.14% | 9.89% | 10.52% | 10.39% |

⁽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 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> (1) | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|-------------------------------|------------------------------|--|
| 2013-2014 | \$11,523,980 | \$16,277,371 | 70.80% |
| 2014-2015 | 12,172,753 | 17,059,549 | 71.35 |
| 2015-2016 | 13,311,279 | 18,205,960 | 73.11 |
| 2016-2017 | 14,143,991 | 19,144,520 | 73.88 |
| 2017-2018 (Budgeted) | 14,349,184 | 19,125,589 | 75.03 |
| 2018-2019 (Proposed) | 14,425,661 | 19,181,543 | 75.20 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|---------------|
| 2013-2014 | \$263,646 | \$848,873 |
| 2014-2015 | 227,867 | 1,137,176 (1) |
| 2015-2016 | 215,139 | 986,030 |
| 2016-2017 | 225,910 | 581,321 |
| 2017-2018 (Budgeted) | 232,000 | 482,274 |
| 2018-2019 (Proposed) | 212,700 | 548,144 |

The reason for the increase in this payment is for the accommodation of a retro payment for the Teachers' Association contract that was settled and a 2014-2015 high TRS rate.

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

GASB and **OPEB**

The District contracted with the Clinton-Essex-Warren-Washington BOCES to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2017, 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 \$50,371,815. The actuarial value of the Plan's assets was \$0 resulting in an unfunded actuarial accrued liability (UAAL) of \$50,371,815. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$24,704,900. The District's annual OPEB expense was \$4,903,635 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,294,378 to the Plan for the fiscal year ending June 30, 2017 to 121 employees, resulting in a net increase to its unfunded OPEB obligation of \$3,609,257, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$28,314,157. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$616,835 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$640,468 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

Principal and Interest Requirements

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

Schedule of Debt Service on Long-Term Bond Indebtedness

| Fiscal <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$513,806 | - | \$513,806 |
| 2018-2019 | 148,694 | \$775,579 | 924,273 |
| 2019-2020 | 149,813 | 1,360,000 | 1,509,813 |
| 2020-2021 | 150,613 | 1,356,250 | 1,506,863 |
| 2021-2022 | 150,613 | 1,355,750 | 1,506,363 |
| 2022-2023 | 150,088 | 1,358,250 | 1,508,338 |
| 2023-2024 | 149,350 | 1,353,500 | 1,502,850 |
| 2024-2025 | 83,400 | 1,356,750 | 1,440,150 |
| 2025-2026 | - | 1,362,500 | 1,362,500 |
| 2026-2027 | - | 1,355,500 | 1,355,500 |
| 2027-2028 | - | 1,356,250 | 1,356,250 |
| 2028-2029 | - | 1,359,250 | 1,359,250 |
| 2029-2030 | - | 1,354,250 | 1,354,250 |
| 2030-2031 | - | 766,500 | 766,500 |

APPENDIX C-23 DESCRIPTION OF HERKIMER CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-23 a brief description of the Herkimer 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 central New York State, in the western sector of Herkimer County (the "County") and includes portions of the Towns of Herkimer and Little Falls, and all of the Village of Herkimer. The City of Utica is located approximately seven miles to the west and the City of Little Falls is approximately five miles to the east. Major highways serving the District include Interstate #90 and New York State Routes #5 and #5S.

The District encompasses approximately 32 square miles. The character of the District is primarily residential and agricultural in nature.

Major airline service is provided at the Syracuse Hancock International Airport, which is located about 55 miles to the west of the District, as well as the Oneida County Airport, which is located approximately 15 miles to the west.

Population

The current estimated population of the District is 9,764. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | Type | Employees |
|---------------------------------------|-------------------|------------------|
| Remington Arms Co. (1) | Manufacturing | 940 |
| Herkimer County Government & Agencies | County Government | 643 |
| Wal-Mart Supercenter | Retail/Grocery | 400 |
| Little Falls Hospital | Hospital | 328 |
| Herkimer County Community College | Education | 307 |

(1) The Remington Arms Company is one of the area's largest employer, located in nearby Ilion, NY. Remington Arms manufactures sporting goods for hunting, shooting sports and fishing and is a leading rifle manufacturer in the United States. Concerns have been raised about the company's future in Ilion after the Legislature passed the NY SAFE Act banning the sale of military-style rifles, including the Bushmaster product made at the plant. In February 2014, Remington Outdoor Co., Remington Arms parent company, announced the consolidation of multiple plants into a facility in Huntsville, Alabama. In May 2014, Remington Arms confirmed that the Ilion plant's Bushmaster and R1 lines would be moved to Alabama. By November 2014, Remington Arms had laid off 231 employees. In March 2017, Remington Arms had laid off an additional 122 employees, and had recently announced in September 2017 that it would lay off an additional 55 employees. Remington Arms currently employs approximately 920 people, down from approximately 1,300 in 2013. In October 2017, the company announced plans to move forward with temporary employee furloughs in 2017 to cut costs, which include up to 11 days without pay through the end of 2017. On March 26, 2018, the company announced it would file for Chapter 11 bankruptcy. The company plans to keep operating its Ilion plant as it seeks to restructure its finances. It is not clear at this time what impact the bankruptcy reorganization might have on the future employment at the company's location in Ilion.

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|---------------------------|-------------------|----------------|
| National Grid | Utility | \$17,541,568 |
| Wal-Mart | Retail | 11,856,702 |
| Lowe's Home Centers, Inc. | Retail | 9,468,085 |
| Ventura-Herkimer LLC | Business Services | 4,434,894 |
| New York Central Lines | Railroad | 4,415,631 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 16.46% 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 Herkimer County.

Year Average

| <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--------------|-------------|-------------|---------------|---------------|
| = 00/ | 6.007 | 6.20/ | 5.50 / | 7 00 / |

Herkimer County 7.8% 6.8% 6.3% 5.5% 5.8% New York State 7.7 6.3 5.3 4.8 4.7

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | 2017-18 | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|---------|--------------------------|--------------------------|
| K-12 | 1,202 | 1,183 | 1,174 | 1,132 | 1,145 | 1,145 | 1,145 |

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|--------------------------------|------------------------------------|
| 116 | Herkimer Faculty Association | June 30, 2020 |
| 18 | CSEA Full-Time | June 30, 2020 |
| 8 | CSEA Part-Time | June 30, 2019 |
| 5 | Herkimer Education 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 May 1, 2018 (1)

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$340,922,012 34,092,201 |
|---|-----------------------------|
| Gross Indebtedness ⁽²⁾ | \$20,419,000 0 |
| Total Net Indebtedness | \$20,419,000 |
| Net Debt Contracting Margin | \$13,673,201 |
| Percentage of Debt Contracting Power Exhausted | 59.89% |

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

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding Indebtedness ⁽¹⁾ | Exclusions(2) | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|--------------|--|---------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Herkimer | \$6,900,000 | \$0 | \$6,900,000 | 8.06% | \$556,140 |
| Town of: | | | | | |
| Herkimer | 888,200 | 0 | 888,200 | 94.34 | 837,928 |
| Little Falls | 122,083 | 122,083 | 0 | 14.67 | 0 |
| Village of: | | | | | |
| Herkimer | 6,796,897 | 5,614,352 | 1,182,545 | 100.00 | 1,182,545 |
| | | | | Total | \$2,576,613 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

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 \$6,835,000 School District Bonds to DASNY in connection with the refunding of \$9,990,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

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.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1. 2018⁽¹⁾

| | | Per | Percentage of Full |
|--|---------------|-----------------------|----------------------|
| | Amount | Capita ⁽²⁾ | Value ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ | \$20,419,000 | \$2,091.25 | 5.99% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 22,995,613 | 2,355.14 | 6.75 |

- (1) The District has not incurred any indebtedness since the date of the above table.
- Based on the District's current estimated population of 9,764.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$340,922,012.
- (4) The District expects to deliver \$6,835,000 School District Bonds to DASNY in connection with the refunding of \$9,990,000 of the District's outstanding bond anticipation notes. 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, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

On June 11, 2014, the District approved a capital project in the amount of \$10,400,000. To date the District has issued \$10,256,049 bond anticipation notes pursuant to this authorization, of which \$9,990,000 are currently outstanding. A portion of the proceeds of the School District Bonds will permanently finance a portion of the outstanding \$9,990,000 bond anticipation notes maturing on June 29, 2018, and the remainder of these notes will be renewed to August 2018. In August 2018, the District plans to make a budgeted paydown and renew those bond anticipation notes to August 2019. Pending market conditions, and the status of the project, the District may issue serial bonds to permanently finance the remainder of the authorization in June 2019.

The Board of Cooperative Educational Services of the Sole Supervisory District of Oneida, Herkimer and Madison Counties, New York (the "BOCES"), was in the process of planning a joint agreement with the ten component school districts (including the District) of the BOCES for the construction of additions and improvements to various BOCES buildings at an estimated maximum cost of \$10,244,000, pursuant to Section 1950 of the Education Law. The District's share of the BOCES project is anticipated to be \$1,284,905. The District plans to pay for the project with fund balance. As of the date of this Official Statement the project has been postponed.

The District is in the early stages of planning a \$15-20 million capital project. If approved by the Board of Education this summer 2018 the District would plan for a vote in fall 2018.

Other than as stated above and the issuance of the School District Bonds, 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.

Herkimer Central School District

https://emma.msrb.org/ER1105013-ES823692-ES1224871.pdf

Base CUSIP: 427334

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. Taxes paid during the month of October are subject to a 2% penalty fee. All taxes remaining unpaid after October 31st are turned over to the County for collection. The County thereafter on or before April 30th pays to the District the amount of its uncollected taxes plus the appropriate penalty. Thus, the District receives its full levy prior to the end of its fiscal year.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

Assessed Valuation Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Herkimer | \$334,584,176 | \$335,177,527 | \$333,969,327 | \$333,016,548 | \$332,285,488 |
| Little Falls | 8,440,176 | 8,527,959 | 8,586,578 | 8,667,711 | 8,636,524 |
| Total Assessed | | | | | |
| Valuation | \$343,024,352 | \$343,705,486 | \$342,555,905 | \$341,684,259 | \$340,922,012 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Herkimer | 94.00% | 94.00% | 94.00% | 94.00% | 94.00% |
| Little Falls | 72.50 | 72.50 | 74.00 | 74.00 | 75.00 |
| Taxable Full | | | | | |
| Valuation | \$367,582,235 | \$368,334,539 | \$366,890,002 | \$365,986,046 | \$365,010,565 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$8,200,481 | \$8,426,685 | \$8,586,606 | \$8,665,608 | \$8,510,000 |
| % Uncollected When Due (1) | 10.6% | 11.3% | 10.2% | 10.2% | 8.8% |

⁽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 payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> (1) | Total <u>Revenues⁽¹⁾</u> | Percentage of Total Revenues Consisting of <u>State Aid</u> (1) |
|----------------------|-------------------------------|--|---|
| 2013-2014 | \$10,874,983 | \$19,722,107 | 55.15% |
| 2014-2015 | 12,340,828 | 21,247,591 | 58.08 |
| 2015-2016 | 13,356,477 | 22,627,409 | 59.03 |
| 2016-2017 | 13,906,122 | 23,134,408 | 60.11 |
| 2017-2018 (Budgeted) | 15,037,000 | 24,164,000 | 62.22 |
| 2018-2019 (Proposed) | 15,028,000 | 24,432,000 | 61.51 |

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2013-2014 fiscal year, the budgeted payments for the current fiscal year, and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2013-2014 | \$269,787 | \$557,774 |
| 2014-2015 | 185,303 | 1,026,000 |
| 2015-2016 | 220,000 | 840,000 |
| 2016-2017 | 121,733 | 864,440 |
| 2017-2018 (Budgeted) | 148,000 | 739,000 |
| 2018-2019 (Proposed) | 161,000 | 773,000 |

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

GASB and OPEB

The District contracted with Raymond G Preusser CPA, P.C. to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of July 1, 2016, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$49,368,078. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$49,368,078. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$25,258,700. The District's annual OPEB expense was \$4,107,143 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,381,651 to the Plan for the fiscal year ending June 30, 2017, resulting in a net increase to its unfunded OPEB obligation of \$2,725,492, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$27,984,192. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$1,313,055 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$972,376 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|---------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$3,159,705 | - | \$3,159,705 |
| 2018-2019 | 3,122,886 | \$686,845 | 3,809,731 |
| 2019-2020 | 1,025,263 | 690,250 | 1,715,513 |
| 2020-2021 | 965,350 | 691,250 | 1,656,600 |
| 2021-2022 | 964,763 | 686,375 | 1,651,138 |
| 2022-2023 | 962,188 | 685,625 | 1,647,813 |
| 2023-2024 | 963,563 | 693,625 | 1,657,188 |
| 2024-2025 | 552,713 | 690,375 | 1,243,088 |
| 2025-2026 | 170,113 | 686,125 | 856,238 |
| 2026-2027 | 170,613 | 690,625 | 861,238 |
| 2027-2028 | 170,769 | 688,750 | 859,519 |
| 2028-2029 | 170,569 | 690,500 | 861,069 |
| 2029-2030 | - | 685,875 | 685,875 |
| 2030-2031 | = | 689,750 | 689,750 |
| 2031-2032 | - | 691,875 | 691,875 |

Historical Disclosure Compliance

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

- The District on occasion did not file in a timely manner certain material event notices relating to rating changes of various insurers of certain outstanding bonds of the District. The underlying rating of the District was not affected by such rating actions. The District failed to provide notices of its Failure to Provide Event Filing Information as Required for the above described event. A failure to file notice was published to the Electronic Municipal Market Access (EMMA) website on July 17, 2017.
- The District timely filed its Annual Financial Information and Operating Data (AFIOD) for the fiscal year ending June 30, 2013; however, the operating data that was provided as part of such filing was date as of April 17, 2013, prior to the close of the June 30, 2013 fiscal year. Additionally, the sections entitled "Larger Employers" and "Larger Taxpayers 2014 for the 2013-2014 Tax Rolls" were erroneously not included. There were no significant changes to the larger employers or top taxpayers that would have had any major impact on the District's finances for those years. An event notice regarding the aforementioned was filed with the EMMA website on September 14, 2017.
- The District failed to timely file notice of an enhanced rating change as well as notice of its failure to file such event information. On December 14, 2017, Moody's Investors Services ("Moody's") upgraded the enhanced rating of the District from "A1" to "Aa3". The underlying rating of the District has not been impacted by this rating change. A material event notice disclosing the rating change and the failure to file event information was posted to the EMMA website on March 5, 2018.

The information contained under this subheading "Historical Disclosure Compliance" does not constitute operating data and annual financial information for purposes of DASNY's continuing disclosure agreement.

APPENDIX C-24 DESCRIPTION OF HEUVELTON CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-24 a brief description of the Heuvelton 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 1948, is located in parts of the Towns of Canton, De Kalb, DePeyster, Lisbon, Macomb and Oswegatchie in St. Lawrence County, approximately 12 miles from the U.S.-Canadian border. The District's main building is located on a 22-acre site in the Village of Heuvelton.

The District is primarily rural with many dairy farms. Other residents are employed in Ogdensburg, Canton, Potsdam and Massena, all located within a short commuting distance. The District is south of and adjacent to the City of Ogdensburg. Major highways include State Highways #812, #184, #68 and #37. Water and sewer services are provided primarily by the Village of Heuvelton. Fire protection is provided by a volunteer department. Electricity is supplied by National Grid, natural gas by St. Lawrence Gas Company, and telephone service by Verizon New York Inc. Police protection is provided by the County Sheriff's Department located in Canton, and the New York State Police substation located in Ogdensburg.

The District provides public education for Pre-K-12. Opportunities for higher education include Canton College and St. Lawrence University in Canton, and Potsdam SUNY College and Clarkson University in Potsdam.

District residents find commercial and financial services in Heuvelton, Ogdensburg or Canton. Recreational and cultural facilities are available in Ogdensburg, Canton and Potsdam, as well as nearby Ottawa, Ontario, Canada, 50 miles to the north.

Population

The current estimated population of the District is 4,019. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | Type | Employees |
|-----------------------------------|----------------------|------------------|
| Heuvelton Central School District | Public Education | 92 |
| Immediate Care Facilities | Heath Care Services | 60 |
| Losurdo Foods, Inc. | Cheese Manufacturer | 45 |
| Town of Oswegatchie | Municipal Government | 21 |
| Riverside Veneer | Manufacturing | 16 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|---------------------------|---------------------|----------------|
| National Grid | Utility | \$7,107,372 |
| Royal-J-Acres, LLC | Farm | 2,801,100 |
| Allen Kelly | Farm | 1,776,325 |
| Losurdo Foods Inc. | Cheese Manufacturer | 1,557,000 |
| Erie Boulevard Hydropower | Utility | 1,281,500 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 11.60% 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 St. Lawrence County.

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------|-------------|-------------|-------------|-------------|-------------|
| St. Lawrence County | 9.1% | 7.7% | 7.3% | 6.6% | 6.8% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.6 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected 2019-20 |
|----------|----------------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| Pre-K-12 | 525 | 528 | 505 | 533 | 528 | 531 | 511 |

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.

| Number of | | Contract |
|------------------|--------------------------|------------------------|
| Employees | Bargaining Unit | Expiration Date |
| 47 | Teachers' Association | June 30, 2019 |
| 37 | Non-Teaching Association | June 30, $2018^{(1)}$ |
| G .1 | · · · · · · · · | |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$167,431,216 16,743,121 |
|---|-----------------------------|
| Gross Indebtedness ⁽²⁾ | \$11,470,000 0 |
| Total Net Indebtedness | \$11,470,000 |
| Net Debt Contracting Margin Percentage of Debt Contracting Power Exhausted | \$5,273,121 68.51% |

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

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding Indebtedness ⁽¹⁾ | Exclusions(2) | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|--------------|--|---------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| St. Lawrence | \$39,775,000 | \$0 | \$39,775,000 | 2.98% | \$1,185,295 |
| Towns of: | | | | | |
| Canton | 0 | 0 | 0 | 0.32 | 0 |
| De Kalb | 197,752 | 0 | 197,752 | 11.39 | 22,524 |
| DePeyster | 80,005 | 0 | 80,005 | 100.00 | 80,005 |
| Lisbon | 0 | 0 | 0 | 2.94 | 0 |
| Macomb | 0 | 0 | 0 | 11.06 | 0 |
| Oswegatchie | 0 | 0 | 0 | 43.44 | 0 |
| Village of: | | | | | |
| Heuvelton | 2,146,098 | 0 | 2,146,098 | 100.00 | 2,146,098 |
| | | | | Total | \$3,433,922 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

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 \$3,705,000 School District Bonds to DASNY in connection with the refunding of \$4,205,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.

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.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | <u>Amount</u> | Per <u>Capita⁽²⁾</u> | Percentage of Full <u>Value⁽³⁾</u> |
|--|---------------|------------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$11,470,000 | \$2,853.94 | 6.85% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 14,903,922 | 3,708.37 | 8.90 |

- (1) The District has not incurred any indebtedness since the date of the above table.
- Based on the District's current estimated population of 4,019.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$167,431,216.
- (4) The District expects to deliver \$3,705,000 School District Bonds to DASNY in connection with the refunding of \$4,205,000 of the District's outstanding bond anticipation notes. 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, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

After the issuance of the DASNY bonds, the District will have \$2,200,000 remaining in this bond authorization pursuant to a bond resolution adopted by the Board of Education of the District on April 20, 2015 for a capital improvement project for which the bonds are currently being issued. The District is currently awaiting State Education Department's approval on the final plans and specifications and anticipates borrowing this remaining portion of the authorization in June of 2019.

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.

Heuvelton Central School District https://emma.msrb.org/ER1090780-ER853646-ER1254259.pdf Base CUSIP: 428218

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 1st. If paid by October 1st, no penalty is imposed. There is a 2% penalty added to payments during October, with an additional 1% added in November. The District also offers an installment plan for the payment of taxes in September, October and November with a surcharge added in September.

The District is reimbursed by the County for all unpaid taxes. Unpaid installments are reimbursed to the District in December. The balance is reimbursed in April of each year and thus, the District is 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Canton | \$1,168,842 | \$1,170,431 | \$1,173,004 | \$1,178,321 | \$1,194,670 |
| De Kalb | 12,109,918 | 11,959,686 | 11,865,047 | 11,931,408 | 12,253,272 |
| DePeyster | 29,529,937 | 30,455,307 | 30,645,112 | 30,825,173 | 31,352,437 |
| Lisbon | 4,480,626 | 4,534,029 | 4,527,515 | 4,580,883 | 4,760,756 |
| Macomb | 5,276,037 | 5,253,924 | 5,222,192 | 5,236,927 | 5,241,311 |
| Oswegatchie | 95,707,770 | 97,064,590 | 97,058,566 | 98,252,108 | 98,832,237 |
| Total Assessed Valuation | \$148,273,130 | \$150,437,967 | \$150,491,436 | \$152,004,820 | \$153,634,683 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Canton | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| De Kalb | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| DePeyster | 100.00 | 100.00 | 100.00 | 85.00 | 79.00 |
| Lisbon | 85.00 | 85.00 | 85.00 | 84.00 | 84.00 |
| Macomb | 56.00 | 56.00 | 53.50 | 53.50 | 53.50 |
| Oswegatchie | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Taxable Full | | | | | |
| Valuation | \$153,209,285 | \$155,366,172 | \$155,829,323 | \$162,868,826 | \$167,431,216 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$3,075,509 | \$3,145,865 | \$3,227,650 | \$3,295,986 | \$3,388,347 |
| % Uncollected When Due ⁽¹⁾ | 18.84% | 14.60% | 15.41% | 15.07% | 19.94% |

⁽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 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid⁽¹⁾</u> | Total <u>Revenues⁽¹⁾</u> | Revenues Consisting of State Aid (1) |
|----------------------|---|--|--------------------------------------|
| 2013-2014 | \$8,112,185 | \$11,647,048 | 69.65% |
| 2014-2015 | 8,089,064 | 11,614,101 | 69.65 |
| 2015-2016 | 8,437,827 | 12,440,053 | 67.83 |
| 2016-2017 | 8,628,704 | 12,392,754 | 69.63 |
| 2017-2018 (Budgeted) | 8,636,992 | 12,269,639 | 70.39 |
| 2018-2019 (Proposed) | 9,346,798 | 12,985,626 | 71.98 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2013-2014 | \$153,582 | \$391,414 |
| 2014-2015 | 176,972 | 533,890 |
| 2015-2016 | 139,103 | 605,493 |
| 2016-2017 | 124,057 | 478,159 |
| 2017-2018 (Budgeted) | 165,000 | 377,562 |
| 2018-2019 (Proposed) | 150,000 | 444,303 |

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

GASB 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 \$30,879,624. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$30,879,624. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$12,910,464. The District's annual OPEB expense was \$3,012,039 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$813,694 to the Plan for the fiscal year ending June 30, 2017 to 119 employees, resulting in a net increase to its unfunded OPEB obligation of \$2,198,345, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$15,108,809. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$180,096 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$242,090 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$940,582 | - | \$940,582 |
| 2018-2019 | 936,500 | \$678,913 | 1,615,413 |
| 2019-2020 | 936,375 | 388,500 | 1,324,875 |
| 2020-2021 | 935,657 | 367,250 | 1,302,907 |
| 2021-2022 | 938,776 | 376,500 | 1,315,276 |
| 2022-2023 | 939,763 | 339,750 | 1,279,513 |
| 2023-2024 | 941,738 | 329,250 | 1,270,988 |
| 2024-2025 | 941,769 | 333,750 | 1,275,519 |
| 2025-2026 | 294,856 | 332,500 | 627,356 |
| 2026-2027 | 291,813 | 320,750 | 612,563 |
| 2027-2028 | 288,588 | 324,000 | 612,588 |
| 2028-2029 | 99,869 | 316,500 | 416,369 |
| 2029-2030 | 51,688 | 313,750 | 365,438 |
| 2030-2031 | - | 310,500 | 310,500 |
| 2031-2032 | = | 306,750 | 306,750 |
| 2032-2033 | - | 157,500 | 157,500 |

APPENDIX C-25 DESCRIPTION OF HIGHLAND CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-25 a brief description of the Highland 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 1925, is located in the Towns of Esopus, Lloyd, Marlborough, New Paltz and Plattekill in Ulster County (the "County"). The District covers approximately 47 square miles. The District is located on the west shore of the Hudson River opposite the City of Poughkeepsie and approximately 75 miles north of New York City.

The District is served by an excellent network of State highways, including Interstate #87 and #84. Rail service is available in Poughkeepsie, while bus and air transportation are available in Newburgh.

The District is a mixture of residential and agricultural areas, with many of its residents commuting to Poughkeepsie and Kingston for employment. Other residents are employed in agriculture, with the production and refrigeration of apples prevalent.

Water and sewer services are provided primarily by the Village of Highland, while outlying areas use private wells and septic systems. Electricity and natural gas are provided by Central Hudson; telephone service is by Verizon New York Inc. Police protection is provided by individual town departments, supplemented by the County Sheriff's 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 include the State University of New York at New Paltz, Marist College, Vassar College and Ulster County Community College.

District residents find commercial and financial services primarily in Poughkeepsie. Recreational and cultural facilities are available through the colleges, and in and around the Poughkeepsie area.

Population

The current estimated population of the District is 12,289. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|----------------------------------|------------------------------|------------------|
| Highland Central School District | Public Education | 327 |
| Zumtobel Staff Lighting | Light Fixture Manufacturer | 200 |
| Hudson Valley Nursing Center | Senior Citizen Care Facility | 190 |
| Wingate Nursing Center | Senior Citizen Care Facility | 170 |
| Phoenix Cable | Wiring Manufacturer | 50 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|-------------------------------|------------------------------|----------------|
| Central Hudson Gas & Electric | Utility | \$31,289,269 |
| CSX Transportation | Railroad | 18,994,000 |
| Vineyard Highland Associates | Senior Citizen Care Facility | 14,994,000 |
| Commons LLC TNW WB Vineyard | Apartments | 14,821,800 |
| CCP Ulster 1743 LLC | Senior Citizen Care Facility | 10,476,000 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 10.57% 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 the County.

| Year | Average |
|------|---------|
|------|---------|

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|
| Ulster County | 7.1% | 5.7% | 4.8% | 4.4% | 4.6% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.6 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 1.836 | 1.822 | 1.798 | 1.789 | 1.780 | 1.744 | 1.738 |

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|--------------------------------------|------------------------------------|
| 158 | Highland Teachers' Association | June 30, 2018 ⁽¹⁾ |
| 154 | Highland Support Association | June 30, 2018 |
| 10 | Highland Administrators' Association | June 30, 2020 |
| 3 | Individual Contract | Various |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property | \$1,170,139,914 117,013,991 |
|--|--------------------------------|
| Gross Indebtedness ⁽²⁾ | \$26,832,548 0 |
| Total Net Indebtedness | \$26,832,548 |
| Net Debt Contracting Margin | \$90,181,443 |
| Percentage of Debt Contracting Power Exhausted | 22.93% |

- The District has not incurred any indebtedness since the date of this table.
- Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$10,440,000 School District Bonds to DASNY in connection with the refunding of \$10,500,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- 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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding Indebtedness ⁽¹⁾ | Exclusions(2) | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-------------|--|---------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Ulster | \$132,121,405 | \$0 | \$132,121,405 | 6.63% | \$8,759,649 |
| Towns of: | | | | | |
| Esopus | 2,395,000 | 0 | 2,395,000 | 6.37 | 152,562 |
| Lloyd | 10,590,018 | 0 | 10,590,018 | 99.27 | 10,512,711 |
| Marlborough | 0 | 0 | 0 | 3.12 | 0 |
| New Paltz | 1,344,343 | 0 | 1,344,343 | 0.99 | 13,309 |
| Plattekill | 12,601 | 0 | 12,601 | 12.80 | 1,613 |
| | | | | Total | \$19,439,844 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | | Per | Percentage of Full |
|--|---------------|-----------------------|-----------------------|
| | Amount | Capita ⁽²⁾ | Value ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ | \$26,832,548 | \$2,183.46 | 2.29% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 46,272,392 | 3,765.35 | 3.95 |

- (1) The District has not incurred any indebtedness since the date of the above table.
- Based on the District's current estimated population of 12,289.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$1,170,139,914.
- The District expects to deliver \$10,440,000 School District Bonds to DASNY in connection with the refunding of \$10,500,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

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

Capital Project Plans

On May 15, 2018 the District voters will consider a proposition for the improvements to and to reconstruct various District buildings and facilities at an estimated cost of \$8,000,000. The District plans to contribute \$425,000 from the Capital Reserve Fund. However, as of the date of this Appendix C, the borrowing plan has not been determined.

Also, on May 15, 2018 the District voters will consider a proposition for the acquisition of school buses at an estimated cost of \$588,000. If approved by the voters, the District may obtain financing for the buses in the 2018-19 fiscal 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.

Highland Central School District

https://emma.msrb.org/ES1069896-ES835388-ES1236425.pdf

Base CUSIP: 430398

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. On November 1st, a list of all unpaid taxes is given to the County for relevy on County/Town tax rolls. The District is reimbursed by the County 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Towns of: | | | | | |
| Esopus | \$50,149,244 | \$49,398,560 | \$49,018,823 | \$51,314,553 | \$51,109,184 |
| Lloyd | 1,008,628,292 | 1,001,410,922 | 994,572,415 | 1,000,544,738 | 1,002,231,241 |
| Marlborough | 22,357,241 | 22,262,940 | 22,085,367 | 22,383,185 | 22,446,965 |
| New Paltz | 11,283,416 | 11,219,736 | 10,996,814 | 11,215,592 | 11,139,611 |
| Plattekill | 86,711,861 | 83,216,169 | 83,176,184 | 82,889,831 | 83,212,913 |
| Total Assessed Valuation | \$1,179,130,054 | \$1,167,508,327 | \$1,159,849,603 | \$1,168,347,899 | \$1,170,139,914 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Towns of: | | | | | |
| Esopus | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Lloyd | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Marlborough | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| New Paltz | 100.00 | 100.00 | 101.00 | 100.00 | 100.00 |
| Plattekill | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Taxable Full | | | | | |
| Valuation | \$1,179,130,054 | \$1,167,508,327 | \$1,159,740,723 | \$1,168,347,899 | \$1,170,139,914 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$24,992,832 | \$25,873,923 | \$26,523,107 | \$26,844,105 | \$27,616,499 |
| % Uncollected When Due ⁽¹⁾ | 7.07% | 6.68% | 6.36% | 5.85% | 6.69% |

⁽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 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid⁽¹⁾</u> | Total <u>Revenues⁽¹⁾</u> | Revenues Consisting of State Aid (1) |
|----------------------|---|--|--------------------------------------|
| 2013-2014 | \$11,483,540 | \$37,184,753 | 30.88% |
| 2014-2015 | 12,396,644 | 39,079,119 | 31.72 |
| 2015-2016 | 13,000,647 | 39,917,097 | 32.57 |
| 2016-2017 | 13,659,262 | 40,411,509 | 33.80 |
| 2017-2018 (Budgeted) | 14,045,326 | 41,366,930 | 33.95 |
| 2018-2019 (Proposed) | 14,952,225 | 43,504,152 | 34.37 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | TRS |
|----------------------|------------|-------------|
| 2013-2014 | \$625,348 | \$1,677,100 |
| 2014-2015 | 714,396 | 2,228,889 |
| 2015-2016 | 602,722 | 2,030,342 |
| 2016-2017 | 598,232 | 1,982,024 |
| 2017-2018 (Budgeted) | 656,661 | 1,513,347 |
| 2018-2019 (Proposed) | 648,353 | 1,646,978 |

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

GASB and OPEB

The District contracted with Raymond Preusser, CPA to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of July 1, 2016, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$62,094,194. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$62,094,194. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$25,327,680. The District's annual OPEB expense was \$5,227,271 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$2,114,838 to the Plan for the fiscal year ending June 30, 2017, resulting in a net increase to its unfunded OPEB obligation of \$3,112,433, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$28,440,113. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$219,628 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$1,567,725 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*."

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 <u>Year</u> | Existing Debt Service | New Debt Service | Total Debt <u>Service</u> |
|-----------------------|-----------------------|---------------------|------------------------------|
| <u>1 car</u> | <u>Sci vice</u> | <u>Sci vice</u> | <u>Sci vice</u> |
| 2017-2018 | \$3,062,025 | - | \$3,062,025 |
| 2018-2019 | 3,007,106 | \$767,300 | 3,774,406 |
| 2019-2020 | 876,156 | 1,048,000 | 1,924,156 |
| 2020-2021 | 870,006 | 1,051,500 | 1,921,506 |
| 2021-2022 | 868,556 | 1,043,500 | 1,912,056 |
| 2022-2023 | 871,756 | 1,044,500 | 1,916,256 |
| 2023-2024 | 874,356 | 1,044,000 | 1,918,356 |
| 2024-2025 | 776,356 | 1,047,000 | 1,823,356 |
| 2025-2026 | 716,806 | 1,048,250 | 1,765,056 |
| 2026-2027 | 713,844 | 1,047,750 | 1,761,594 |
| 2027-2028 | 707,344 | 1,045,500 | 1,752,844 |
| 2028-2029 | 715,544 | 1,046,500 | 1,762,044 |
| 2029-2030 | 707,994 | 1,050,500 | 1,758,494 |
| 2030-2031 | 715,144 | 1,047,250 | 1,762,394 |
| 2031-2032 | 711,544 | 1,042,000 | 1,753,544 |
| 2032-2033 | 262,494 | 1,044,750 | 1,307,244 |
| 2033-2034 | 266,344 | - | 266,344 |
| 2034-2035 | 264,894 | - | 264,894 |
| 2035-2036 | 263,294 | - | 263,294 |
| 2036-2037 | 266,263 | - | 266,263 |
| 2037-2038 | 268,919 | - | 268,919 |
| 2038-2039 | 266,263 | - | 266,263 |
| 2039-2040 | 268,450 | - | 268,450 |

⁽¹⁾ Schedule does not include remaining payments of \$1,676,391 due under an energy performance contract.

APPENDIX C-26 DESCRIPTION OF CITY SCHOOL DISTRICT OF THE CITY OF HORNELL

There follows in this Appendix C-26 a brief description of the City School District of the City of Hornell (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, consolidated in 1956, covers approximately 36 square miles and is located in the City of Hornell and the Towns of Howard, Fremont and Hornellsville in Steuben County (the "County"). The District also serves the Village of North Hornell.

The District is served by State Routes #21 and #36, plus Interstate #86 (the "Southern Tier Expressway"). A Norfolk-Southern Rail line passes through the District and two bus lines serve the area. The Hornell Airport, north of the City of Hornell, is available for use by small private aircraft. Commercial air transportation is available at the Elmira-Corning Regional Airport and the Greater Rochester International Airport.

Residents of the District find employment locally at such industries as Alstom or in the healthcare and education fields. The area surrounding the District is more rural in character, with dairy and cash crop farming prevalent.

Water and sewer services are provided primarily by the City of Hornell. Electricity and natural gas are provided by New York State Electric & Gas Corporation and National Fuel, while Verizon New York Inc. provides telephone service. Fire protection and ambulance services are provided primarily by Hornell City organizations, as is police protection. Additional police services are provided by the County Sheriff's Department and the New York State Police.

The District provides public education for grades Pre-K-12 in five buildings. 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 City of Hornell. 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 10,529. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | Type | Employees |
|---|---------------------------------------|------------------|
| Alstrom | Transit Car Refurbishing | 720 |
| City School District of the City of Hornell | Public Education | 415 |
| State of New York | Department of Transportation Facility | 399 |
| Walmart | Department Store | 300 |
| St. James Mercy Hospital | Health Care Facility | 290 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|---|-----------------|----------------|
| Brixmor GA Apollo III | Shopping Center | \$15,108,204 |
| New York State Electric & Gas Corporation | Utility | 7,931,573 |
| National Fuel Gas Distribution | Utility | 7,259,329 |
| Pennsylvania Lines LLC – Roanoke | Railroad | 6,893,300 |
| Lowe's Home Centers Inc. | Retail | 6,000,000 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 15.03% 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 the County.

| Year Average | | | | | | |
|----------------|-------------|-------------|-------------|-------------|-------------|--|
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | |
| Steuben County | 8.4% | 6.9% | 6.3% | 5.8% | 5.8% | |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.6 | |

Enrollment

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

| | 2013-14 | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | 2017-18 | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|----------|---------|----------------|----------------|----------------|---------|--------------------------|--------------------------|
| Pre-K-12 | 1,981 | 1,823 | 1,811 | 1,757 | 1,702 | 1,691 | 1,702 |

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|--|---------------------------------|
| 152 | Hornell Educators' Association | June 30, 2018 ⁽¹⁾ |
| 99 | Hornell Substitute Teachers' Association | June 30, 2017 ⁽²⁾ |
| 78 | Hornell Employees' Support Staff Association | June 30, 2018 ⁽¹⁾ |
| 57 | Hornell Paraprofessional Association | June 30, 2022 |
| 16 | Individual | Various |
| 13 | Hornell Principals & Directors | June 30, 2021 |

⁽¹⁾ Currently under negotiations.

⁽²⁾ A tentative agreement has been signed.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| | Based on Conventional Equalization <u>Rates</u> | Based On Special Equalization <u>Ratios</u> |
|---|--|--|
| Five Year Average Full Valuation of Taxable Real Property Debt Limit (5% of full valuation) ⁽²⁾ | \$370,238,153 \$18,511,908 | \$372,844,925 \$18,642,246 |
| Outstanding Indebtedness ⁽³⁾ <u>Inclusions</u> Bonds Bond Anticipation Notes Total Inclusions | \$35,535,000 <u>625,000</u> \$36,160,000 | \$35,535,000 625,000 \$36,160,000 |
| Exclusions Bonds Previously Refunded Appropriations Total Exclusions | \$0 5,910,000 \$5,910,000 | \$0 5,910,000 \$5,910,000 |
| Total Net Indebtedness | \$30,250,000 | \$30,250,000 |
| Net Debt Contracting Margin ⁽⁴⁾ | (\$11,738,092) | (\$11,607,754) |
| Percentage of Debt Contracting Power Exhausted ⁽⁴⁾ | 163.41% | 162.27% |

- (1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$10,680,000 School District Bonds to DASNY in connection with the refunding of \$12,820,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- (2) The District's constitutional debt limit has been computed using special equalization ratios established by the State Office of Real Property Tax Services pursuant to Art-12-B of the Real Property Tax Law. "Conventional" State equalization rates are also established by the State Board, and are used for all other purposes.
- Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the constitutional debt limit of the District.
- (4) As provided in Section 104.00(c) of the Local Finance Law, the Board of Regents and State Comptroller have granted the District permission to exceed its Constitutional Debt Limit by Consent dated October 4, 2001 and October 22, 2001; October 21, 2008 and December 5, 2008; and June 14, 2016 and June 28, 2016, respectively.

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding Indebtedness ⁽¹⁾ | Exclusions ⁽²⁾ | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|---------------|--|---------------------------|----------------------------|-----------------------------|--|
| County of: | | | | | |
| Steuben | \$3,145,000 | \$0 | \$3,145,000 | 6.90% | \$217,005 |
| Towns of: | | | | | |
| Fremont | 0 | 0 | 0 | 29.62 | 0 |
| Hornellsville | 617,027 | 0 | 617,027 | 45.42 | 280,254 |
| Howard | 0 | 0 | 0 | 15.22 | 0 |
| Village of: | | | | | |
| North Hornell | 233,957 | 0 | 233,957 | 100.00 | 233,957 |
| City of: | | | | | |
| Hornell | 7,861,224 | 0 | 7,861,224 | 100.00 | 7,861,224 |
| | | | | Total | \$8,592,440 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | | | Percentage |
|--|----------------------------|------------------------------------|---------------------------------------|
| | <u>Amount</u> | Per <u>Capita⁽²⁾</u> | of Full <u>Value⁽³⁾</u> |
| Gross Indebtedness ⁽⁴⁾ Gross Indebtedness Plus Net Overlapping Indebtedness | \$36,160,000 44,752,440 | \$3,434.32 4,250.40 | 9.15% 11.32 |

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

Cash Flow Borrowing

The District has not issued Tax or Revenue Anticipation Notes for the last five fiscal years and does not expect to issue such notes in the current fiscal year.

⁽²⁾ Information not available.

Based on the District's current estimated population of 10,529.

Based on the District's full value of taxable real estate using the special State equalization rates for 2017-18 of \$395,269,549.

⁽⁴⁾ The District expects to deliver \$10,680,000 School District Bonds to DASNY in connection with the refunding of \$12,820,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Capital Project Plans

After the issuance of the Bonds, \$6,660,000 of the \$20,160,000 Capital Project for which the School District Bonds are being issued will remain authorized but unissued. The District anticipates borrowing for the remainder of the authorization by the summer of 2019.

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 Hornell https://emma.msrb.org/ES1056148-ES824943-ES1226108.pdf Base CUSIP: 440614

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 October 1st and may be paid through October 31st without penalty. Payments received from November 1st through November 15th are assessed a 1% penalty; November 16th – November 30th, 2%; December 1st – December 15th, 6%; December 16th – December 30th, 8%, and December 31st – thereafter, 10%.

The District tax collector receives payments until December 31, after which unpaid taxes for the Towns of Howard, Fremont and Hornellsville are turned over to the County for collection. The District is reimbursed by the County and the City for unpaid taxes on or about April 15 each year and is thereby assured 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|---------------|---------------|---------------|---------------|--------------------|
| City of: | | | | | |
| Hornell | \$235,272,002 | \$236,204,479 | \$238,054,120 | \$252,243,435 | \$261,794,279 |
| Towns of: | | | | | |
| Fremont | 13,360,897 | 13,375,756 | 13,520,602 | 15,305,017 | 15,399,119 |
| Hornellsville | 93,119,647 | 91,545,477 | 91,857,492 | 92,368,585 | 96,179,285 |
| Howard | 7,634,831 | 7,621,774 | 7,918,276 | 8,171,493 | $15,637,526^{(1)}$ |
| Total Assessed Valuation | \$349,387,377 | \$348,747,486 | \$351,350,490 | \$368,088,530 | \$389,010,209 |

⁽¹⁾ Difference due to townwide revaluation.

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------|---------------|---------------|---------------|---------------|----------------|
| City of: Hornell | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Towns of: | | | | | |
| Fremont | 100.00 | 94.40 | 100.00 | 100.00 | 100.00 |
| Hornellsville | 100.00 | 99.00 | 97.00 | 98.00 | 98.00 |
| Howard | 52.50 | 48.00 | 44.64 | 42.15 | $100.00^{(1)}$ |
| Taxable Full | | | | | |
| Valuation | \$356,295,081 | \$358,722,587 | \$364,011,241 | \$381,188,808 | \$390,973,051 |

⁽¹⁾ Difference due to townwide revaluation.

Special State Equalization Ratios Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------|---------------|---------------|---------------|---------------|---------------|
| City of: | | | | | |
| Hornell | 99.66% | 100.18% | 100.38% | 100.50% | 99.84% |
| Towns of: | | | | | |
| Fremont | 98.04 | 82.32 | 82.32 | 94.44 | 90.99 |
| Hornellsville | 98.35 | 98.28 | 98.25 | 97.68 | 97.01 |
| Howard | 44.16 | 41.52 | 46.86 | 45.34 | 92.05 |
| Taxable Full | | | | | |
| Valuation | \$361,673,580 | \$363,533,053 | \$363,968,742 | \$379,779,703 | \$395,269,549 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$6,700,000 | \$6,866,896 | \$7,063,397 | \$7,208,242 | \$7,023,682 |
| % Uncollected When Due ⁽¹⁾ | 9.36% | 8.97% | 7.50% | 6.06% | 6.43% |

⁽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 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> ⁽¹⁾ | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|--|------------------------------|---|
| 2013-2014 | \$24,205,885 | \$32,844,955 | 73.70% |
| 2014-2015 | 25,378,269 | 34,309,151 | 73.97 |
| 2015-2016 | 26,637,835 | 35,346,237 | 75.36 |
| 2016-2017 | 27,268,755 | 36,240,397 | 75.24 |
| 2017-2018 (Budgeted) | 29,076,616 | 37,254,393 | 78.05 |
| 2018-2019 (Proposed) | 30,669,844 | 38,920,671 | 78.80 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| <u>ERS</u> | TRS |
|------------|---|
| \$576,974 | \$1,092,775 |
| 602,135 | 1,590,777 |
| 535,952 | 1,704,643 |
| 483,115 | 1,357,583 |
| 486,398 | 1,116,305 |
| 482,210 | 1,223,816 |
| | \$576,974 602,135 535,952 483,115 486,398 |

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

GASB and **OPEB**

The District contracted with BPAS to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of July 1, 2016, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$42,971,641. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$42,971,641. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$22,690,301. The District's annual OPEB expense was \$3,907,026 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,428,284 to the Plan for the fiscal year ending June 30, 2017 to 567 employees, resulting in a net increase to its unfunded OPEB obligation of \$2,478,742, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$25,169,043. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 financial statements. The District has reserved \$5,732,864 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 \$2,186,979 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$1,310,532 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|---------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$6,531,433 | - | \$6,531,433 |
| 2018-2019 | 6,467,727 | \$1,178,100 | 7,645,827 |
| 2019-2020 | 4,534,710 | 1,230,250 | 5,764,960 |
| 2020-2021 | 4,461,790 | 1,229,250 | 5,691,040 |
| 2021-2022 | 4,370,345 | 1,211,500 | 5,581,845 |
| 2022-2023 | 4,265,273 | 1,197,750 | 5,463,023 |
| 2023-2024 | 4,177,770 | 1,177,750 | 5,355,520 |
| 2024-2025 | 4,062,449 | 1,071,750 | 5,134,199 |
| 2025-2026 | 1,106,305 | 1,089,000 | 2,195,305 |
| 2026-2027 | 1,105,657 | 1,038,500 | 2,144,157 |
| 2027-2028 | 184,016 | 858,500 | 1,042,516 |
| 2028-2029 | 174,600 | 835,500 | 1,010,100 |
| 2029-2030 | 140,284 | 812,000 | 952,284 |
| 2030-2031 | 56,856 | 798,000 | 854,856 |
| 2031-2032 | - | 783,000 | 783,000 |
| 2032-2033 | - | 567,000 | 567,000 |

Historical Disclosure Compliance

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

• The District failed to timely file notice of an enhanced rating change. On December 14, 2017, Moody's Investors Services ("Moody's") upgraded the enhanced rating of the District from "A1" to "Aa3". The underlying rating of the District has not been impacted by this rating change. A material event notice disclosing the rating change was posted to the Electronic Municipal Market (EMMA) website on January 17, 2018.

The information contained under this subheading "Historical Disclosure Compliance" does not constitute operating data and annual financial information for purposes of DASNY's continuing disclosure agreement.

APPENDIX C-27 DESCRIPTION OF INDIAN RIVER CENTRAL SCHOOL DISTRICT AT PHILADELPHIA

There follows in this Appendix C-27 a brief description of the Indian River Central School District at Philadelphia (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District is located in the northern sector of upstate New York. Situated in Jefferson and St. Lawrence Counties (the "Counties"), it has a land area of 284 square miles. The City of Watertown is approximately 15 miles to the southwest. The City of Ogdensburg is located approximately 40 miles to the northeast. Major highways in, or in close proximity to the District include Interstate Expressway Routes #81 and #781, as well as State Highways #11 and #26.

The District encompasses parts of the Towns of Antwerp, Alexandria, LeRay, Orleans, Pamelia, Philadelphia, Rossie and Theresa (the "Towns"). The centers of population are located in the Villages of Antwerp, Evan Mills, Philadelphia and Theresa. The District boundaries also overlap the boundaries of the United States Army facility at Fort Drum. (See "Fort Drum").

The area is principally residential and agricultural in nature with an emphasis on military support.

Population

The current estimated population of the District is 21,331. (Source: 2016 U.S. Census Bureau estimate)

Four Largest Employers

| <u>Name</u> | Type | Employees |
|--|---------------------|------------------|
| Fort Drum (DOD) | Military | 18,854 |
| Indian River Central School District at Philadelphia | School | 750 |
| Fort Drum Mountain Community Home | Building Management | 120 |
| Walmart | Retail | 200 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|--------------------------------------|------------------------|----------------|
| Eagle Ridge Housing Partnership, LLC | Apartments | \$47,646,800 |
| National Grid | Utility | 20,883,978 |
| LeRay Housing Associates | Apartments | 19,297,000 |
| LeRay 300 LLC | Apartments | 17,846,800 |
| Walmart Real Estate Business Trust | Apartments/Vacant Land | 12,511,100 |

The total estimated full valuation of the top ten (10) taxpayers represents approximately 18.80% of the tax base of the District.

Note: The District has a number of tax certiorari filings in the courts to reduce property assessments. At this time there is no way to determine the ultimate outcome of the tax certiorari filings; however, the District does not anticipate the claims to have a large negative effect, regardless of the outcome. The District annually budgets for these challenges. In any event, Local Finance Law authorizes school districts to borrow to pay tax certiorari judgments and settled claims. Currently district records indicate that, among the five largest taxpayers, Eagle Ridge Housing Partnership, LLC. and Walmart Real Estate Business Trust, have an active tax certiorari filing. Respectively, these organizations are seeking to have their assessments reduced to \$33,325,000 and \$7,500,000.

Unemployment Rate Statistics

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

Vear Average

| | Teal Average | | | | |
|---------------------|--------------|-------------|-------------|-------------|-------------|
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Jefferson County | 9.2% | 7.6% | 6.6% | 6.2% | 6.3% |
| St. Lawrence County | 9.1 | 7.7 | 7.3 | 6.6 | 6.7 |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 4,471 | 4,310 | 4,073 | 3,930 | 3,930 | 4,000 | 4,000 |

District Employees

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

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|---|---------------------------------|
| 15 | Indian River Association of Professional Administrators | June 30, 2019 |
| 373 | Indian River Education Association | June 30, 2019 |
| 262 | Civil Service Employee's Association | June 30, 2020 |
| 22 | Management/Confidential | Exempt |

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$803,663,230 80,366,323 |
|---|-----------------------------|
| Gross Indebtedness ⁽²⁾ | \$65,540,000 0 |
| Total Net Indebtedness | \$65,540,000 |
| Net Debt Contracting Margin | \$14,826,323 81.55% |

- (1) The District has not incurred any indebtedness since the date of this table.
- Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$10,460,000 School District Bonds to DASNY in connection with the refunding of \$12,000,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.
- 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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding <u>Indebtedness⁽¹⁾</u> | Exclusions ⁽²⁾ | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|--------------|--|---------------------------|----------------------------|-----------------------------|--|
| County of: | | | | | |
| Jefferson | \$17,030,000 | \$0 | \$17,030,000 | 10.08% | \$1,716,624 |
| St. Lawrence | 39,775,000 | 9,500,000 | 30,275,000 | 0.05 | 15,138 |
| Town of: | | | , , | | ŕ |
| Antwerp | 0 | 0 | 0 | 97.52 | 0 |
| Theresa | 0 | 0 | 0 | 94.38 | 0 |
| LeRay | 13,170,330 | 13,170,330 | 0 | 66.31 | 0 |
| Philadelphia | 24,000 | 0 | 24,000 | 100.00 | 24,000 |
| Pamelia | 2,300,869 | 0 | 2,300,869 | 9.60 | 220,883 |
| Alexandria | 6,136,719 | 548,031 | 5,588,688 | 0.12 | 6,706 |
| Orleans | 4,731,334 | 0 | 4,731,334 | 0.03 | 1,419 |
| Rossie | 0 | 0 | 0 | 5.86 | 0 |
| Village of: | | | | | |
| Philadelphia | 5,316,400 | 5,286,400 | 30,000 | 100.00 | 30,000 |
| Antwerp | 4,045,224 | 4,045,224 | 0 | 100.00 | 0 |
| Evans Mills | 586,300 | 586,300 | 0 | 100.00 | 0 |
| Theresa | 2,536,460 | 2,536,460 | 0 | 100.00 | 0 |
| | | | | Total | \$2,014,771 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | | Per | Percentage of Full |
|--|---------------|-----------------------|----------------------|
| | Amount | Capita ⁽²⁾ | Value ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ | \$65,540,000 | \$3,072.52 | 8.16% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 67,554,771 | 3,166.98 | 8.41 |

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

⁽²⁾ Sewer and water debt.

Based on the District's current estimated population of 21,331.

⁽³⁾ Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$803,663,230.

The District expects to deliver \$10,460,000 School District Bonds to DASNY in connection with the refunding of \$12,000,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.

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.

Indian River Central School District at Philadelphia http://emma.msrb.org/ER1100007-ER860592-ER1261293.pdf Base CUSIP: 454354

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

Real Estate Property Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged for the next 30 days. On or about November 1st, uncollected taxes are returnable to the Counties for collection. The District receives this amount from the 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|---------------|---------------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Antwerp | \$90,608,521 | \$90,704,952 | \$91,741,789 | \$92,629,131 | \$92,789,362 |
| Theresa | 99,820,600 | $220,023,601^{(1)}$ | 221,560,734 | 223,667,720 | 224,867,334 |
| LeRay | 302,883,861 | 324,004,785 | 347,100,720 | 348,369,987 | 352,156,517 |
| Philadelphia | 90,421,796 | 90,774,925 | 99,135,804 | 93,656,149 | 94,438,707 |
| Pamelia | 14,575,318 | 14,632,799 | 14,766,913 | 14,976,126 | 15,120,107 |
| Alexandria | 693,015 | 695,222 | 728,315 | 738,654 | 741,242 |
| Orleans | 100,873 | 101,858 | 102,945 | 112,560 | 112,092 |
| Rossie | 2,503,246 | 2,503,218 | 2,503,002 | 2,502,482 | 2,504,054 |
| Total Assessed Valuation | \$601,607,230 | \$743,441,360 | \$777,640,222 | \$776,652,809 | \$782,729,415 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|----------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Antwerp | 100.00% | 100.00% | 100.00% | 90.00% | 91.00% |
| Theresa | 48.50 | $100.00^{(1)}$ | 100.00 | 100.00 | 100.00 |
| LeRay | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Philadelphia | 93.23 | 98.50 | 100.00 | 100.00 | 100.00 |
| Pamelia | 59.00 | 58.50 | 58.50 | 57.00 | 57.00 |
| Alexandria | 94.00 | 94.00 | 97.50 | 97.00 | 99.00 |
| Orleans | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Rossie | 100.00 | 97.00 | 97.00 | 88.00 | 88.00 |
| Taxable Full | | | | | |
| Valuation | \$724,341,225 | \$755,326,047 | \$788,211,982 | \$798,606,806 | \$803,661,730 |

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

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$2,921,727 | \$2,988,645 | \$3,009,015 | \$3,082,031 | \$3,363,355 |
| % Uncollected When Due ⁽¹⁾ | 5.97% | 6.75% | 5.65% | 4.90% | 6.57% |

⁽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 payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> (1) | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|-------------------------------|------------------------------|---|
| 2013-2014 | \$46,843,300 | \$79,084,485 | 59.23% |
| 2014-2015 | 49,937,162 | 79,807,134 | 62.57 |
| 2015-2016 | 50,611,321 | 73,670,151 | 68.70 |
| 2016-2017 | 52,577,609 | 85,236,911 | 61.68 |
| 2017-2018 (Budgeted) | 52,372,065 | 87,484,795 | 59.86 |
| 2018-2019 (Proposed) | 54,861,799 | 88,081,682 | 62.29 |

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2013-2014 fiscal year, the budgeted payments for the current fiscal year, and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | TRS |
|----------------------|-------------|-------------|
| 2013-2014 | \$1,344,824 | \$3,640,695 |
| 2014-2015 | 1,281,421 | 4,052,883 |
| 2015-2016 | 1,247,710 | 3,157,348 |
| 2016-2017 | 964,006 | 2,870,375 |
| 2017-2018 (Budgeted) | 1,271,475 | 2,581,179 |
| 2018-2019 (Proposed) | 1,280,140 | 2,812,926 |

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

GASB and OPEB

The District contracted with Bowers to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2016, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$50,112,291. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$50,112,291. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$28,999,582. The District's annual OPEB expense was \$4,651,278 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$811,907 to the Plan for the fiscal year ending June 30, 2017 to 167 employees, resulting in a net increase to its unfunded OPEB obligation of \$3,839,371, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$32,838,953. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$6,620,007 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$3,348,657 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$6,346,123 | - | \$6,346,123 |
| 2018-2019 | 6,501,675 | \$693,617 | 7,195,292 |
| 2019-2020 | 5,894,375 | 1,057,750 | 6,952,125 |
| 2020-2021 | 5,852,925 | 1,056,000 | 6,908,925 |
| 2021-2022 | 5,851,175 | 1,058,000 | 6,909,175 |
| 2022-2023 | 5,306,625 | 1,058,500 | 6,365,125 |
| 2023-2024 | 5,306,125 | 1,057,500 | 6,363,625 |
| 2024-2025 | 3,094,000 | 1,055,000 | 4,149,000 |
| 2025-2026 | 996,500 | 1,056,000 | 2,052,500 |
| 2026-2027 | 992,250 | 1,055,250 | 2,047,500 |
| 2027-2028 | 996,500 | 1,052,750 | 2,049,250 |
| 2028-2029 | 993,750 | 1,053,500 | 2,047,250 |
| 2029-2030 | 994,250 | 1,057,250 | 2,051,500 |
| 2030-2031 | 802,750 | 1,058,750 | 1,861,500 |
| 2031-2032 | 803,750 | 1,053,000 | 1,856,750 |
| 2032-2033 | 618,000 | 1,055,250 | 1,673,250 |
| 2033-2034 | 139,750 | - | 139,750 |
| 2034-2035 | 139,000 | - | 139,000 |
| 2035-2036 | 138,000 | - | 138,000 |
| 2036-2037 | 141,750 | - | 141,750 |

APPENDIX C-28 DESCRIPTION OF JORDAN-ELBRIDGE CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-28 a brief description of the Jordan-Elbridge 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.

Description

The District, formed in 1961, is located in the Towns of Camillus, Elbridge, Lysander, Skaneateles and Van Buren in Onondaga County and the Towns of Brutus and Sennett in Cayuga County. The District covers approximately 65 square miles.

Transportation is provided to and from the District by New York State Routes #5 and #31 and Interstate #90. Major airline service is provided at the Syracuse Hancock International Airport, which is located about 20 miles to the east of the District.

The District is located primarily in a rural region with the majority of homes being single family. Commercial activity in the District is centered in and around the Villages of Jordan and Elbridge. Industrial development within the District is centered within the Town of Elbridge.

Water supply and distribution is primarily maintained by the Village of Jordan and supported from user charges. The balance of the District is supplied from well water. Sanitary sewer treatment facilities have been constructed within the Village of Jordan, but not within the rest of the District. Electricity is provided by New York State Electric & Gas Corporation. Police protection is provided by the County Sheriff's Departments, the New York State Police and Village Police. Fire protection and ambulance service are provided by the local volunteer organizations.

Population

The current estimated population of the District is 9,016. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | Type | Employees |
|---|------------------|------------------|
| Welch Allyn Inc. | Manufacturer | 917 |
| Tessy Plastics Corporation | Manufacturer | 800 |
| Jordan-Elbridge Central School District | Public Education | 273 |
| International Wire (Omega Wire) | Manufacturer | 74 |
| Tops Market (Formerly Elbridge Big M Supermarket) | Grocery | 58 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|---|------------------|----------------|
| National Grid | Utility | \$18,353,693 |
| New York State Electric & Gas Corporation | Utility | 9,598,134 |
| Dominion Resources | Utility | 4,399,976 |
| Fifth Garden Park LTD | Mobile Home Park | 4,294,200 |
| Hourigan Farms of Elbridge, LLC | Agriculture | 4,156,300 |

The total estimated full valuation of the top ten (10) taxpayers represents approximately 11.83% of the tax base of the District.

Unemployment Rate Statistics

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

| Year | Average |
|------|---------|
|------|---------|

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------|-------------|-------------|-------------|-------------|-------------|
| Cayuga County | 7.4% | 6.0% | 5.3% | 5.0% | 5.1% |
| Onondaga County | 6.8 | 5.5 | 4.9 | 4.5 | 4.7 |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.6 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|----------|----------------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| Pre-K-12 | 1,385 | 1,366 | 1,306 | 1,275 | 1,239 | 1,230 | 1,210 |

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|--|---------------------------------|
| 133 | Jordan-Elbridge Teachers' Association | June 30, 2020 |
| 64 | Service Employees International Union Local 200 United | June 30, 2018 ⁽¹⁾ |
| 46 | Jordan-Elbridge Transportation Local | June 30, 2019 |
| 5 | Jordan-Elbridge Administrators' Association | June 30, 2020 |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$475,711,188 47,571,118 |
|---|-----------------------------|
| Gross Indebtedness ⁽²⁾ | \$26,110,000 0 |
| Total Net Indebtedness | \$26,110,000 |
| Net Debt Contracting Margin | \$21,461,118 |
| Percentage of Debt Contracting Power Exhausted | 54.89% |

- (1) The District has not incurred any indebtedness since the date of this table.
- 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 \$7,345,000 School District Bonds to DASNY in connection with the refunding of \$7,250,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- 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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding <u>Indebtedness</u> ⁽¹⁾ | Exclusions(2) | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|--------------|---|---------------|----------------------------|--------------------------|--|
| Counties of: | | | | | |
| Cayuga | \$63,420,243 | \$0 | \$63,420,243 | 0.99% | \$627,860 |
| Onondaga | 652,085,295 | 0 | 652,085,295 | 1.63 | 10,628,990 |
| Towns of: | | | | | |
| Brutus | 3,415,225 | 0 | 3,415,225 | 12.63 | 431,343 |
| Camillus | 0 | 0 | 0 | 0.99 | 0 |
| Elbridge | 193,121 | 0 | 193,121 | 100.00 | 193,121 |
| Lysander | 3,627,538 | 0 | 3,627,538 | 2.03 | 73,639 |
| Sennett | 1,346,451 | 0 | 1,346,451 | 5.97 | 80,383 |
| Skaneateles | 1,885,849 | 0 | 1,885,849 | 2.22 | 41,866 |
| Van Buren | 2,917,940 | 0 | 2,917,940 | 5.43 | 158,444 |
| Villages of: | | | | | |
| Elbridge | 12,000 | 0 | 12,000 | 100.00 | 12,000 |
| Jordan | 372,000 | 0 | 372,000 | 100.00 | 372,000 |
| | | | | Total | \$12,619,646 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | | Per | Percentage of Full |
|--|---------------|-----------------------|----------------------------|
| | <u>Amount</u> | Capita ⁽²⁾ | <u>Value⁽³⁾</u> |
| Gross Indebtedness ⁽⁴⁾ | \$26,110,000 | \$2,895.96 | 5.49% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 38,729,646 | 4,295.66 | 8.14 |

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

Cash Flow Borrowing

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

⁽²⁾ Information not available.

Based on the District's current estimated population of 9,016.

⁽³⁾ Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$475,711,188.

⁽⁴⁾ The District expects to deliver \$7,345,000 School District Bonds to DASNY in connection with the refunding of \$7,250,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

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.

Jordan-Elbridge Central School District https://emma.msrb.org/ES1059129-ES827082-ES1228222.pdf Base CUSIP: 480690

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, but if the first installment is paid by October 2nd, no penalty is imposed. There is a 2% penalty if paid between October 3rd and November 2nd. On November 3rd, a list of all unpaid taxes for Onondaga County properties is given to Onondaga County Real Property for collection through November 17th and then re-levy on County/Town tax rolls with an additional penalty of 3%. On November 20th, a list of all unpaid taxes for Cayuga County properties is given to Cayuga County Real Property for re-levy on County/Town tax rolls with an additional 5% penalty. The District is reimbursed by the Counties for all unpaid taxes 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Brutus | \$22,740,796 | \$24,221,273 | \$24,225,183 | \$24,385,986 | \$24,484,810 |
| Camillus | 15,456,982 | 14,894,491 | 14,696,709 | 14,879,692 | 15,169,548 |
| Elbridge | 307,265,936 | 310,227,481 | 310,688,668 | 314,069,495 | 319,244,949 |
| Lysander | 29,053,023 | 29,130,258 | 29,124,589 | 29,803,766 | 31,315,856 |
| Sennett | 20,147,168 | 20,055,563 | 20,134,590 | 19,819,016 | 19,943,764 |
| Skaneateles | 28,374,006 | 28,649,820 | 28,933,831 | 28,148,263 | 28,420,084 |
| Van Buren | 34,907,684 | 34,566,503 | 35,161,661 | 35,620,539 | 35,750,274 |
| Total Assessed Valuation | \$457,945,595 | \$461,745,389 | \$462,965,231 | \$466,726,757 | \$474,329,285 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Brutus | 90.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Camillus | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Elbridge | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Lysander | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Sennett | 100.00 | 100.00 | 88.24 | 90.48 | 93.52 |
| Skaneateles | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Van Buren | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Taxable Full | | | | | |
| Valuation | \$460,472,350 | \$461,745,389 | \$465,648,626 | \$468,812,046 | \$475,711,188 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$12,012,952 | \$12,264,962 | \$12,384,336 | \$12,394,336 | \$12,404,336 |
| % Uncollected When Due ⁽¹⁾ | 10.81% | 7.23% | 7.44% | 7.37% | 6.44% |

⁽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 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> (1) | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|-------------------------------|------------------------------|---|
| 2013-2014 | \$13,777,674 | \$26,826,688 | 51.36% |
| 2014-2015 | 14,334,212 | 27,818,032 | 51.53 |
| 2015-2016 | 15,594,768 | 29,101,602 | 53.59 |
| 2016-2017 | 15,926,682 | 29,501,742 | 53.99 |
| 2017-2018 (Budgeted) | 16,313,864 | 29,600,000 | 55.11 |
| 2018-2019 (Proposed) | 16,179,921 | 29,675,000 | 54.52 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|-------------|
| 2013-2014 | \$476,352 | \$1,540,924 |
| 2014-2015 | 356,060 | 1,522,246 |
| 2015-2016 | 326,383 | 1,691,657 |
| 2016-2017 | 316,720 | 1,224,878 |
| 2017-2018 (Budgeted) | 378,200 | 1,139,000 |
| 2018-2019 (Proposed) | 365,000 | 1,214,840 |

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

GASB and **OPEB**

The District contracted with Burke Group to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 75. The first actuarial valuation under GASB 75 was completed for the fiscal year ending June 30, 2017. Prior valuations performed under GASB 45 guidelines have not been restated and are not reflected in historic exhibits. The last full valuation was done for the fiscal year ending June 30, 2015 under GASB 45 guidelines. An interim valuation was done for the fiscal year ending June 30, 2016 under GASB 45. The following outlines the changes to the Total OPEB Liability during the fiscal year, by source.

| Total OPEB Liability at June 30, 2017: | \$39,601,302 |
|--|--------------|
| Net changes | \$(491,937) |
| Benefit payments | (1,189,726) |
| Changes in assumptions or other inputs | (2,809,600) |
| Differences between expected and actual experience | 978,787 |
| Interest | 1,342,986 |
| Service cost | \$1,185,616 |
| Changes for the Year: | |
| Total OPEB Liability at June 30, 2016: | \$40,093,239 |

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 \$820,939 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$1,296,493 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$3,048,744 | - | \$3,048,744 |
| 2018-2019 | 2,179,431 | \$718,546 | 2,897,977 |
| 2019-2020 | 2,175,900 | 720,500 | 2,896,400 |
| 2020-2021 | 2,186,063 | 717,250 | 2,903,313 |
| 2021-2022 | 2,199,762 | 718,250 | 2,918,012 |
| 2022-2023 | 2,189,963 | 718,250 | 2,908,213 |
| 2023-2024 | 2,113,626 | 717,250 | 2,830,876 |
| 2024-2025 | 2,118,307 | 720,250 | 2,838,557 |
| 2025-2026 | 2,100,200 | 717,000 | 2,817,200 |
| 2026-2027 | 1,218,550 | 717,750 | 1,936,300 |
| 2027-2028 | 474,988 | 717,250 | 1,192,238 |
| 2028-2029 | 427,413 | 720,500 | 1,147,913 |
| 2029-2030 | 345,925 | 717,250 | 1,063,175 |
| 2030-2031 | 310,650 | 717,750 | 1,028,400 |
| 2031-2032 | 310,500 | 716,750 | 1,027,250 |
| 2032-2033 | - | 719,250 | 719,250 |

⁽¹⁾ Schedule does not include remaining payments due under a 2014 energy performance contract.

APPENDIX C-29 DESCRIPTION OF LANSING CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-29 a brief description of the Lansing Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

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

Transportation is provided by New York State Routes #34 and #34B. The area is served by Delta, United, and American Airlines at Ithaca Tompkins Regional Airport, with jet flights to New York City, Pittsburgh and Chicago providing direct passenger, mail and cargo service.

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

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

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

Population

The current estimated population of the District is 7,585. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | Type | Employees |
|-----------------------------|---------------|------------------|
| Cornell University | Education | 9,757 |
| Ithaca College | Education | 1,744 |
| Borg Warner | Manufacturing | 1,200 |
| Ithaca City School District | Public School | 1,200 |
| Dairy One | Agriculture | 255 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|---|--------------------------|------------------|
| Cayuga Operating Plant | Utility | \$35,000,000 (1) |
| Ithaca B & T Associates | Business Services | 27,585,001 |
| New York State Electric & Gas Corporation | Utility | 24,937,353 |
| Village Solars LLC | Solar Power | 12,015,000 |
| Cargill Inc. | Salt Mine | 11,744,100 |

The PILOT agreement between the Cayuga Operating Plant and Tompkins County set the value at \$60,000,000 through June 2017. The valuation of the Cayuga Operating plant for the years 2017-18, 2018-19 and 2019-20 is \$35,000,000, \$25,000,000 and \$20,000,000, respectively. The Public Service Commission has recently approved the sale of the plant to Riesling Power, LLC.

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 16.9% of the tax base of the District.

Unemployment Rate Statistics

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

| | Year Average | | | | |
|-----------------|--------------|-------------|-------------|-------------|-------------|
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Tompkins County | 5.2% | 4.4% | 4.1% | 4.1% | 4.4% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | 2013-14 | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|---------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 1,161 | 1,182 | 1,205 | 1,227 | 1,224 | 1,287 | 1,332 |

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|---|------------------------------------|
| 145 | Lansing Faculty Association | June 30, 2020 |
| 75 | Lansing School Service Association | June 30, 2017 (1) |
| 8 | Lansing Administrators' & Supervisor's Organization | June 30, 2018 (1) |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018 (1)

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$876,094,004 87,609,400 |
|---|-----------------------------|
| Gross Indebtedness ⁽²⁾ | \$15,425,000 0 |
| Total Net Indebtedness | \$15,425,000 |
| Net Debt Contracting Margin Percentage of Debt Contracting Power Exhausted | \$72,184,400 17.61% |

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

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding Indebtedness ⁽¹⁾ | Exclusions(2) | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-------------|--|---------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Tompkins | \$67,553,400 | \$1,277,521 | \$66,275,879 | 11.42% | \$7,568,705 |
| Town of: | | | | | |
| Dryden | 634,000 | 634,000 | 0 | 0.61 | 0 |
| Groton | 0 | 0 | 0 | 0.32 | 0 |
| Lansing | 3,225,073 | 799,492 | 2,425,581 | 63.55 | 1,541,457 |
| Village of: | | | | | |
| Dryden | 0 | 0 | 0 | 100.00 | 0 |
| | | | | Total | \$9,110,162 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

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 \$5,435,000 School District Bonds to DASNY in connection with the refunding of \$6,450,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

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.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018 (1)

| | | Per | Percentage of Full |
|--|---------------|-----------------------|----------------------|
| | Amount | Capita ⁽²⁾ | Value ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ | \$15,425,000 | \$2,033.62 | 1.76% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 24,535,162 | 3,234.70 | 2.80 |

- (1) The District has not incurred any indebtedness since the date of the above table.
- Based on the District's current estimated population of 7,585.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$876,094,004.
- The District expects to deliver \$5,435,000 School District Bonds to DASNY in connection with the refunding of \$6,450,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

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

Capital Project Plans

On December 8, 2016, the District voters approved \$4,950,000 capital improvement project. The District anticipates using \$1,800,000 of capital reserve funds for the project. The District anticipates issuing bond anticipation notes this summer 2018 to fund the project's cash flow needs as warranted.

Historically, the District has issued serial bonds annually to finance the acquisition of buses. On May 15, 2018, the qualified voters of the District will be asked to vote on a proposition for \$300,000 for the purchase of two 70-passenger student transport vehicles and two 2-passenger vans. Pending a positive vote, the District would plan to issue serial bonds in fall 2018 to finance the acquisition of such buses.

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

FINANCIAL FACTORS

General Information

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

Lansing Central School District http://emma.msrb.org/ES1080881-ES844429-ES1245526.pdf Base CUSIP: 516462

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

Real Estate Property Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 2nd to November 1st. On or about November 15th, uncollected taxes are returnable to the 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Dryden | \$5,650,593 | \$5,725,592 | \$5,899,787 | \$6,201,686 | \$6,572,136 |
| Groton | 819,039 | 818,935 | 888,931 | 888,892 | 1,013,942 |
| Lansing | 752,108,741 | 770,307,368 | 785,489,445 | 829,214,456 | 868,507,926 |
| Total Assessed Valuation | \$758,578,373 | \$776,851,895 | \$792,278,163 | \$836,305,034 | \$876,094,004 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Dryden | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Groton | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Lansing | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Taxable Full | | | | | |
| Valuation | \$758,578,373 | \$776,851,895 | \$792,278,163 | \$836,305,034 | \$876,094,004 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$15,695,538 | \$16,433,255 | \$17,046,980 | \$17,162,333 | \$18,149,128 |
| % Uncollected When Due ⁽¹⁾ | 3.76% | 5.92% | 5.72% | 6.04% | 6.86% |

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

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid⁽¹⁾</u> | Total <u>Revenues⁽¹⁾</u> | Revenues Consisting of State Aid(1) |
|----------------------|---|--|-------------------------------------|
| 2013-2014 | \$7,132,688 | \$25,760,681 | 27.69% |
| 2014-2015 | 7,754,270 | 26,713,771 | 29.03 |
| 2015-2016 | 8,357,901 | 28,038,336 | 29.81 |
| 2016-2017 | 8,225,006 | 27,828,071 | 29.56 |
| 2017-2018 (Budgeted) | 8,789,382 | 28,852,000 | 30.46 |
| 2018-2019 (Proposed) | 9,069,803 | 29,686,700 | 30.55 |

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|-------------|
| 2013-2014 | \$348,446 | \$1,403,793 |
| 2014-2015 | 388,426 | 1,535,370 |
| 2015-2016 | 453,586 | 1,262,454 |
| 2016-2017 | 313,652 | 1,092,553 |
| 2017-2018 (Budgeted) | 400,000 | 975,000 |
| 2018-2019 (Proposed) | 400,000 | 1,000,000 |

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

GASB 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, 2016, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$63,246,251. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$63,246,251. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$32,687,167. The District's annual OPEB expense was \$5,844,304 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,469,772 to the Plan for the fiscal year ending June 30, 2017 to 327 employees, resulting in a net increase to its unfunded OPEB obligation of \$4,374,532, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$37,061,699. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$1,789,973 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$834,341 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$ 1,394,813 | - | \$1,394,813 |
| 2018-2019 | 1,336,771 | \$552,804 | 1,889,575 |
| 2019-2020 | 1,024,531 | 557,000 | 1,581,531 |
| 2020-2021 | 956,781 | 557,250 | 1,514,031 |
| 2021-2022 | 777,925 | 561,750 | 1,339,675 |
| 2022-2023 | 777,425 | 560,250 | 1,337,675 |
| 2023-2024 | 777,688 | 558,000 | 1,335,688 |
| 2024-2025 | 774,669 | 555,000 | 1,329,669 |
| 2025-2026 | 740,500 | 556,250 | 1,296,750 |
| 2026-2027 | 737,100 | 556,500 | 1,293,600 |
| 2027-2028 | 522,412 | 555,750 | 1,078,162 |
| 2028-2029 | 518,238 | 559,000 | 1,077,238 |
| 2029-2030 | 418,075 | 561,000 | 979,075 |
| 2030-2031 | 320,250 | 556,750 | 877,000 |
| 2031-2032 | - | 556,500 | 556,500 |

⁽¹⁾ Schedule does not include remaining payments of \$3,664,296 due under an energy performance contract.

APPENDIX C-30 DESCRIPTION OF LE ROY CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-30 a brief description of the Le Roy 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, founded in 1890, covers the Towns of Le Roy, Stafford, Bergen and Pavilion, located in Genesee County, and the Town of Caledonia, located in Livingston County. The District covers approximately 40 square miles. The District is served by New York State Route #5, U.S. Route #20 and the New York State Thruway. Bus service is available in the Village of Le Roy, with rail and air transportation available in Rochester and Buffalo.

Although the District is primarily rural in nature, only a small percentage of its residents are employed in agriculture. Major employers of District residents include Genesee County, United Memorial Medical Center, Batavia City School District, Le Roy Central School District and Lapp Insulators LLC. Residents also commute to Rochester for employment.

Water and sewer services are provided by the Monroe County Water Authority, although some residents have private wells and septic systems. Electricity is provided by the National Grid Corporation and natural gas by Rochester Gas and Electric Corporation. Telephone service is provided by Frontier Communications of Rochester. Police protection is provided by the Village of Le Roy, supplemented by the County Sheriffs' Departments and the New York State Police. Various volunteer organizations provide ambulance service and fire protection.

The District provides public education for grades K-12, although a small portion of the school age students attend a local parochial school. Higher educational opportunities are available at the nearby Genesee Community College and at the many colleges and universities in the Rochester and Buffalo areas.

District residents are afforded all the usual commercial services, primarily in the Village of Le Roy, and many recreational facilities are available nearby in the Finger Lakes Region and at Letchworth State Park.

Population

The current estimated population of the District is 8,198. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|--------------------------------|---------------|------------------|
| Genesee County | Government | 900 |
| United Memorial Medical Center | Hospital | 606 |
| Batavia City School District | Public School | 400 |
| Le Roy Central School District | Public School | 225 |
| Lapp Insulators LLC | Manufacturer | 160 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|---------------------------------|-------------|----------------|
| National Grid | Utility | \$ 11,455,830 |
| Rochester Gas & Electric | Utility | 7,540,514 |
| Hy-Hope Farms Inc. | Agriculture | 5,628,100 |
| Lapp Insulators LLC | Industry | 5,401,500 |
| Howitt Enterprises – Le Roy LLC | Housing | 3,151,100 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 11.2% of the tax base of the District.

Unemployment Rate Statistics

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

Year Average

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-------------------|-------------|-------------|-------------|-------------|-------------|
| Genesee County | 6.8% | 5.5% | 5.0% | 4.6% | 4.9% |
| Livingston County | 7.0 | 5.8 | 5.3 | 4.9 | 5.1 |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | 2013-14 | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected 2018-19 | Projected <u>2019-20</u> |
|------|---------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 1,311 | 1,285 | 1,279 | 1,273 | 1,260 | 1,260 | 1,260 |

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|---|------------------------------------|
| 130 | Le Roy Teachers' Association | June 30, 2021 |
| 45 | Local 200, Service Employees' Union | June 30, 2018 (1) |
| 6 | Le Roy Administrators Association (LAA) | June 30, 2019 |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$406,136,541 40,613,654 |
|---|-----------------------------|
| Gross Indebtedness ⁽²⁾ | \$30,330,340 0 |
| Total Net Indebtedness | \$30,330,340 |
| Net Debt Contracting Margin | \$10,283,314 |
| Percentage of Debt Contracting Power Exhausted | 74.68% |

- The District plans to issue \$848,100 bond anticipation notes, along with \$283,800 available funds, on May 17, 2018 to partially redeem and renew \$866,900 bond anticipation notes maturing May 18, 2018 and provide \$265,000 new money for the purchase of school buses.
- Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$10,560,000 School District Bonds to DASNY in connection with the refunding of \$12,628,440 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- 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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding Indebtedness ⁽¹⁾ | Exclusions ⁽²⁾ | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-------------|--|---------------------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Genesee | \$21,365,000 | \$ - | \$21,365,000 | 14.35% | \$3,065,878 |
| Livingston | 47,971,631 | 4,326,131 | 43,645,500 | 0.04 | 17,458 |
| Town of: | | | | | |
| Bergen | 2,308,000 | 1,393,000 | 915,000 | 1.02 | 9,333 |
| Caledonia | - | - | - | 0.55 | _ |
| Le Roy | 2,215,272 | 2,168,600 | 46,672 | 95.41 | 44,530 |
| Pavilion | 1,335,280 | 145,000 | 1,190,280 | 2.03 | 24,163 |
| Stafford | 2,683,857 | 2,683,857 | - | 37.89 | _ |
| Village of: | | | | | |
| Le Roy | 1,105,000 | - | 1,105,000 | 100.00 | 1,105,000 |
| • | | | | Total | \$4,266,361 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | | Per | Percentage of Full |
|--|---------------|-----------------------|----------------------|
| | Amount | Capita ⁽²⁾ | Value ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ | \$30,330,340 | \$3,699.72 | 7.47% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 34,596,701 | 4,220.14 | 8.52 |

The District plans to issue \$848,100 bond anticipation notes, along with \$283,800 available funds, on May 17, 2018 to partially redeem and renew \$866,900 bond anticipation notes maturing May 18, 2018 and provide \$265,000 new money for the purchase of school buses.

⁽²⁾ Sewer and water debt.

Based on the District's current estimated population of 8,198.

Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$406,136,541.

⁽⁴⁾ The District expects to deliver \$10,560,000 School District Bonds to DASNY in connection with the refunding of \$12,628,440 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Appendix C

Cash Flow Borrowing

The District has not issued tax and/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 is currently in the process of issuing \$848,100 bond anticipation notes for the purchase of school buses. The District expects to close on May 17, 2018 on these bond anticipation notes.

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.

Le Roy Central School District https://emma.msrb.org/ES1081457-ES844877-ES1245973.pdf

Base CUSIP: 526799

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

Real Estate Property Tax Collection Procedure

Taxes are payable to the District Tax Collector during the month of September without penalty. Payments made after September 30th, carry a penalty of 2%. The last day of tax collection is October 31st. Unpaid taxes are returned to each County's Treasurers on November 15th for re-levy on respective County/Town tax rolls.

The Counties reimburse the District for all unpaid taxes in April of the year following the year of levy, and the District is thus assured of 100% collection of its annual levy.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

Assessed Valuation Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| Towns of: | | | | | |
| Le Roy | \$329,737,804 | \$333,312,070 | \$337,427,606 | \$341,544,662 | \$343,359,247 |
| Stafford | 51,804,074 | 52,637,808 | 55,657,801 | 56,428,241 | 57,191,373 |
| Bergen | 1,585,271 | 1,585,413 | 1,588,184 | 1,648,310 | 1,648,455 |
| Pavilion | 2,354,172 | 2,383,915 | 2,390,608 | 2,601,822 | 2,549,086 |
| Caledonia | 1,254,242 | 1,339,355 | 1,325,769 | 1,352,024 | 1,346,729 |
| Total Assessed Valuation | \$ 386,735,563 | \$ 391,258,561 | \$ 398,389,968 | \$ 403,575,059 | \$ 406,094,890 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Le Roy | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Stafford | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Bergen | 100.00 | 100.00 | 99.00 | 100.00 | 100.00 |
| Pavilion | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Caledonia | 100.00 | 100.00 | 100.00 | 100.00 | 97.00 |
| Taxable Full | | | | | |
| Valuation | \$386,735,563 | \$391,258,561 | \$398,406,010 | \$403,575,059 | \$406,136,541 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$9,225,122 | \$9,463,684 | \$9,443,838 | \$9,584,652 | \$9,769,729 |
| % Uncollected When Due ⁽¹⁾ | 4.15% | 4.77% | 4.26% | 3.96% | 6.45% |

⁽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 payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> (1) | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|-------------------------------|------------------------------|---|
| 2013-2014 | \$11,061,749 | \$20,839,908 | 53.08% |
| 2014-2015 | 11,856,993 | 21,829,146 | 54.32 |
| 2015-2016 | 12,515,351 | 22,452,459 | 55.74 |
| 2016-2017 | 12,835,081 | 23,008,325 | 55.78 |
| 2017-2018 (Budgeted) | 13,555,026 | 24,020,718 | 56.43 |
| 2018-2019 (Proposed) | 14,049,454 | 25,199,218 | 55.75 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year, and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|-------------|
| 2013-2014 | \$467,394 | \$1,246,409 |
| 2014-2015 | 454,605 | 1,403,547 |
| 2015-2016 | 429,026 | 1,403,547 |
| 2016-2017 | 387,002 | 1,008,128 |
| 2017-2018 (Budgeted) | 382,245 | 860,867 |
| 2017-2018 (Proposed) | 383,225 | 945,322 |

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

GASB and **OPEB**

The District contracted with Burke Group to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 75. The first actuarial valuation under GASB 75 was completed for the fiscal year ending June 30, 2017. Prior valuations performed under GASB 45 guidelines have not been restated and are not reflected in historic exhibits. The last full valuation was done for the fiscal year ending June 30, 2016 under GASB 45 guidelines. An interim valuation was done for the fiscal year ending June 30, 2017 under GASB 45. The following outlines the changes to the Total OPEB Liability during the fiscal year, by source.

| Total OPEB Liability at July 1, 2016: | \$461,950 |
|--|-----------|
| Changes for the Year: | |
| Service cost | \$ 9,715 |
| Interest | 13,654 |
| Differences between expected and actual experience | 80,665 |
| Changes in assumptions or other inputs | 13,906 |
| Benefit payments | (64,086) |
| Net changes | \$53,854 |
| Total OPEB Liability at June 30, 2017: | \$515,804 |

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 \$101,417 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$979,554 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|---------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$1,525,894 | - | \$1,525,894 |
| 2018-2019 | 1,521,269 | \$1,055,200 | 2,576,469 |
| 2019-2020 | 1,522,619 | 1,050,000 | 2,572,619 |
| 2020-2021 | 1,514,619 | 1,048,000 | 2,562,619 |
| 2021-2022 | 1,516,419 | 1,044,750 | 2,561,169 |
| 2022-2023 | 1,521,419 | 1,050,250 | 2,571,669 |
| 2023-2024 | 1,341,219 | 1,049,000 | 2,390,219 |
| 2024-2025 | 1,098,469 | 1,056,250 | 2,154,719 |
| 2025-2026 | 1,095,219 | 1,051,500 | 2,146,719 |
| 2026-2027 | 1,094,294 | 1,050,250 | 2,144,544 |
| 2027-2028 | 1,090,969 | 1,052,250 | 2,143,219 |
| 2028-2029 | 1,081,231 | 1,047,250 | 2,128,481 |
| 2029-2030 | 1,054,781 | 1,050,500 | 2,105,281 |
| 2030-2031 | 1,057,059 | 1,056,500 | 2,113,559 |
| 2031-2032 | 1,057,550 | 1,050,000 | 2,107,550 |
| 2031-2033 | - | 661,500 | 661,500 |

Recent Late Payment of Interest

On June 15, 2017, the District had an interest payment that, due to clerical oversights, were not paid until June 19, 2017 and June 23, 2017. The District advanced refunded its \$5,248,152 School District (Serial) Bonds, 2009, and there was confusion as to what amounts were to be paid on the refunded bond and the newly issued \$2,450,000 School District Refunding (Serial) Bonds, 2016. The District has rectified the oversight and foresees no reason to believe the oversight will happen again in the future.

APPENDIX C-31 DESCRIPTION OF LEWISTON-PORTER CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-31 a brief description of the Lewiston-Porter 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 comprises an area of approximately 90 square miles in the northwest corner of Niagara County (the "County"), approximately 25 miles north of the City of Buffalo, 90 miles to the west of the City of Rochester and 80 miles south of the City of Toronto. The District includes portions of the Towns of Lewiston and Porter and all of the Villages of Lewiston and Youngstown.

The District is generally suburban residential and agricultural in nature, with residents finding employment in the cities of Buffalo and Niagara Falls. The Town of Lewiston is the gateway to the Niagara Wine Trail. A State cultural facility, Artpark, is located within the District in the Village of Lewiston. The Village of Lewiston and the Hamlet of Sanborn are the focus of many commercial, service, and community cultural activities. The Lewiston-Queenston Bridge, located in the District, connects the United States and Canada.

The reservoir and generating facilities of the New York Power Authority, the largest hydroelectric power production facility east of the Rocky Mountains, are located in the southwestern portion of the District.

Electricity and natural gas are supplied throughout the District by National Grid and National Fuel Gas Distribution Corporation, respectively. Police protection is provided by the town police departments, the County Sheriff's department and the State Police. Fire protection is provided by various volunteer fire companies located throughout the District. Higher education opportunities are available at Niagara University and Niagara County Community College, located within the District, and many other colleges and universities located in the Buffalo and Rochester areas.

The Buffalo and Niagara Falls airports are accessible to residents of the District via the State Thruway and other State roads. The Niagara Frontier Transportation Authority provides bus transportation to the area.

Population

The current estimated population of the District is 18,681. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Type</u> | Employees |
|-------------|---|
| Healthcare | 1,182 |
| Education | 800 |
| Landfill | 423 |
| Education | 368 |
| Utility | 263 |
| | Healthcare Education Landfill Education |

Five Largest Taxpayers

| <u>Name</u> | Type | Full Valuation |
|--------------------------------|-------------|----------------|
| Chemical Waste Management Inc. | Landfill | \$23,505,300 |
| National Grid | Utility | 11,562,353 |
| Tennessee Gas Pipeline | Utility | 9,600,789 |
| Modern Landfill Inc. | Landfill | 9,258,700 |
| National Fuel Gas | Utility | 6,748,240 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 7.53% 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 the County.

| Year A | Average |
|--------|---------|
|--------|---------|

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|
| Niagara County | 8.4% | 7.0% | 6.2% | 5.8% | 6.2% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.6 |

Enrollment

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

| | 2013-14 | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|---------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 2,168 | 2,178 | 2,125 | 2,069 | 2,026 | 1,996 | 1,963 |

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.

| Number of Employees | Bargaining Unit | Contract Expiration Date |
|------------------------|--|---------------------------------|
| 187 | Lewiston-Porter United Teachers Association | June 30, 2022 |
| 9 | Lewiston-Porter Organization of Educational Administrators | June 30, 2019 |
| 33 | Civil Service Employees Association Inc., Local #872 | June 30, 2018 ⁽¹⁾ |
| 85 | Lewiston-Porter Educational Employees | June 30, 2017 ⁽¹⁾ |
| 35 | Lewiston-Porter Administrative Professionals | June 30, 2021 |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$1,511,060,690 151,106,069 |
|---|--------------------------------|
| Gross Indebtedness ⁽²⁾ | \$50,195,000 0 |
| Total Net Indebtedness | |
| Net Debt Contracting Margin | \$100,911,069 |
| Percentage of Debt Contracting Power Exhausted | 33.22% |

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

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding Indebtedness ⁽¹⁾ | Exclusions ⁽²⁾ | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-----------------------|--|---------------------------|----------------------------|--------------------------|--|
| County of: Niagara | \$86,721,000 | \$47,282,333 | \$39,438,667 | 14.19% | \$5,597,080 |
| Town of: | | | | | |
| Lewiston | 11,530,000 | 6,074,800 | 5,455,200 | 90.55 | 4,939,824 |
| Porter | 502,000 | 0 | 502,000 | 98.76 | 495,780 |
| Village of: | | | | | |
| Lewiston | 564,720 | 0 | 564,720 | 100.00 | 564,720 |
| Youngstown | 0 | 0 | 0 | 100.00 | 0 |
| | | | | Total | \$11,597,405 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

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 \$20,725,000 School District Bonds to DASNY in connection with the refunding of \$24,970,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.

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.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | <u>Amount</u> | Per <u>Capita⁽²⁾</u> | Percentage of Full <u>Value⁽³⁾</u> |
|--|---------------|------------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$50,195,000 | \$2,686.95 | 3.32% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 61,792,405 | 3,307.76 | 4.09% |

- The District has not incurred any indebtedness since the date of the above table.
- Based on the District's current estimated population of 18,681.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$1,511,060,690.
- (4) The District expects to deliver \$20,725,000 School District Bonds to DASNY in connection with the refunding of \$24,970,000 of the District's outstanding bond anticipation notes. 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, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

The District currently has \$8,750,000 of authorized and unissued indebtedness pursuant to a bond resolution that was adopted by the Board of Education on August 15, 2017, following the approval by the qualified voters of the District (on May 16, 2017) of a \$9,250,000 capital improvements project at various District buildings and facilities. The District anticipates that the first borrowing pursuant to this authorization will take place in June of 2018.

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.

Lewiston-Porter Central School District http://emma.msrb.org/ER1101050-ER861250-ER1261967.pdf Base CUSIP: 528645

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 30 days after taxes are due, but a 2% penalty is charged from October 2nd to November 1st. On or about November 25th, uncollected taxes are returnable to the 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--|
| Towns of: Lewiston Porter | \$706,825,301 319,822,274 | \$714,711,595 321,107,190 | \$728,413,308 323,735,030 | \$737,266,025 325,474,132 | \$745,093,466 327,723,466 | |
| Total Assessed Valuation | \$1,026,647,575 | \$1,035,818,785 | \$1,052,148,338 | \$1,062,740,157 | \$1,072,816,932 | |
| State Equalization Rates Years Ending June 30, | | | | | | |
| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | |
| Towns of: Lewiston Porter | 80.00% 93.00 | 79.00% 94.00 | 73.00% 88.00 | 71.00% 82.00 | 69.00% 76.00 | |
| Taxable Full Valuation | \$1,227,426,545 | \$1,246,301,615 | \$1,365,707,165 | \$1,435,322,525 | \$1,511,060,690 | |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$23,241,573 | \$24,199,615 | \$24,913,504 | \$25,409,283 | \$25,797,536 |
| % Uncollected When Due ⁽¹⁾ | 4.28% | 4.68% | 4.71% | 3.63% | 4.12% |

⁽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 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> (1) | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|-------------------------------|------------------------------|---|
| 2013-2014 | \$13,467,946 | \$39,249,759 | 34.31% |
| 2014-2015 | 13,833,589 | 40,550,252 | 34.11 |
| 2015-2016 | 14,433,720 | 41,438,744 | 34.83 |
| 2016-2017 | 14,894,616 | 42,424,375 | 35.11 |
| 2017-2018 (Budgeted) | 16,349,576 | 43,982,121 | 37.17 |
| 2018-2019 (Proposed) | 16,466,812 | 45,180,153 | 36.44 |

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|-------------|
| 2013-2014 | \$807,229 | \$2,319,849 |
| 2014-2015 | 603,545 | 2,567,141 |
| 2015-2016 | 644,203 | 2,621,272 |
| 2016-2017 | 743,305 | 1,781,383 |
| 2017-2018 (Budgeted) | 735,573 | 1,447,854 |
| 2018-2019 (Proposed) | 704,878 | 1,737,068 |

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

GASB and OPEB

The District contracted with BPAS to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of July 1, 2016, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$1,897,874. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,897,874. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$930,489. The District's annual OPEB expense was \$207,688 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$61,653 to the Plan for the fiscal year ending June 30, 2017 to 250 employees, resulting in a net increase to its unfunded OPEB obligation of \$146,035, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$1,076,524. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$949,135 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$2,838,753 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⁽¹⁾

| Fiscal <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|---------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$3,062,358 | - | \$3,062,358 |
| 2018-2019 | 2,903,764 | \$2,064,396 | 4,968,160 |
| 2019-2020 | 2,625,644 | 2,146,250 | 4,771,894 |
| 2020-2021 | 2,622,544 | 2,084,000 | 4,706,544 |
| 2021-2022 | 2,611,894 | 2,087,000 | 4,698,894 |
| 2022-2023 | 1,732,844 | 2,162,000 | 3,894,844 |
| 2023-2024 | 1,103,644 | 2,160,250 | 3,263,894 |
| 2024-2025 | 1,094,500 | 2,100,250 | 3,194,750 |
| 2025-2026 | 225,750 | 2,159,750 | 2,385,500 |
| 2026-2027 | 226,138 | 2,162,750 | 2,388,888 |
| 2027-2028 | 226,150 | 2,161,750 | 2,387,900 |
| 2028-2029 | 215,775 | 2,161,750 | 2,377,525 |
| 2029-2030 | - | 2,157,500 | 2,157,500 |
| 2030-2031 | - | 2,159,000 | 2,159,000 |
| 2031-2032 | - | 1,320,750 | 1,320,750 |
| 2032-2033 | - | 724,500 | 724,500 |

Historical Disclosure Compliance

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

• The District did fail to file the required material event notice related to bond insurer rating changes in a timely manner. The required material event and failure to file notice were filed on December 1, 2014.

The information contained under this subheading "Historical Disclosure Compliance" does not constitute operating data and annual financial information for purposes of DASNY's continuing disclosure agreement.

APPENDIX C-32 DESCRIPTION OF LIVERPOOL CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-32 a brief description of the Liverpool 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, encompassing approximately 50 square miles, is located in Central New York State within the Towns of Salina and Clay and includes the Village of Liverpool, which is situated within the Town of Salina. Major highways serving the District include The New York State Thruway, State Routes #690 and #481. Interstate Route #81 which runs north and south from Tennessee to Canada is located approximately four miles east of the District. Rail passenger service to and from the District is provided by Amtrak while The Central New York Regional Transportation Authority (CENTRO) provides bus service. Major air passenger and freight service are available at Syracuse Hancock International Airport, which is located approximately five miles from the District.

The District is primarily residential and commercial in nature. The Syracuse-Woodard Industrial Park Complex is located in the District and contains over thirty corporate facilities, including medium to heavy industries, and warehousing and wholesaling operations. This industrial park, consisting of fourteen hundred acres of land, was fully planned with utilities including water, sewer, drainage, railroad and the expressway-highway system, which were all constructed before substantial occupancy. In addition to these firms, many of the District residents are employed in the various industries, service companies or commercial establishments that constitute the diverse economic base of the Syracuse metropolitan area.

The Great Northern Mall accommodates four major anchor stores and approximately 120 other retail outlets. Great Northern Mall's owner, California based Macerich, sold the mall in February 2017 to Kohan Real Estate Investment Group of Great Neck, New York.

In proximity to the Great Northern Mall, significant new commercial construction has taken place in the last several years including the construction of a WalMart, Barnes and Noble Bookstore, Home Depot, Lowes, Raymour & Flanigan Furniture Inc. Target and a number of restaurants. In July 2016, Davidson Ford opened a 42,000 square foot automotive dealership, the largest store in the Davidson Automotive Group family on Route 31 in Clay, which is in close proximity to the District.

The North Medical Center provides medical services through 45 physicians' offices including emergency care. The facilities have a market value of approximately \$30.

Police protection is afforded residents by Village, County and State agencies. Fire protection is provided by various volunteer groups. Gas and electricity are furnished by National Grid (formerly Niagara Mohawk Power Corporation). Sewer treatment is provided by the County of Onondaga. Water is supplied by the Town of Clay and by the Onondaga County Water Authority.

Population

The current estimated population of the District is 50,844. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

The following are the five largest employers located within or in close proximity to the District.

| Name | <u>Type</u> | Employees |
|-------------------------------------|------------------|------------------|
| Upstate University Health System | Health Care | 9,000-9,500 |
| Syracuse University | Higher Education | 4,500-5,000 |
| St. Joseph's Hospital Health Center | Health Care | 4,000-4,500 |
| Roman Catholic Diocese of Syracuse | Diocese | 3,500-4,000 |
| Wegmans Food Stores | Supermarket | 3,500-4,000 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|--------------------------|----------------|-----------------------|
| National Grid | Utility | \$ 56,838,695 |
| Great Northern Mall (1) | Shopping Mall | 33,841,492 |
| Wegmans | Supermarket | 33,064,942 |
| R&F Clay/OCIDA PILOT (2) | Large Retail | 30,489,510 |
| North Med | Medical Center | 16,857,529 |

⁽¹⁾ Great Northern Mall was sold for \$7.5M in February 2017. The District currently has tax certioraris in place with the mall that keep the assessed valuation from being reevaluated until after the 2019-20 fiscal year. Further details are unavailable as of the date of this Official Statement.

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 8.11% of the tax base of the District.

Unemployment Rate Statistics

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

| | | Year Aver | age | | |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Onondaga County New York State | 6.8% 7.7 | 5.6% 6.3 | 4.9% 5.3 | 4.5% 4.8 | 4.7% 4.7 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 7,221 | 7,229 | 7,192 | 7,169 | 7,082 | 7,089 | 7,089 |

⁽²⁾ The property is not on the District's tax rolls and pays under a PILOT agreement.

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|--|------------------------------------|
| 973 | United Liverpool Faculty Association | June 30, 2018 (1) |
| 181 | Service Employees' International Union | June 30, 2019 |
| 29 | Liverpool Administrators' Association | June 30, 2019 |
| 19 | Liverpool Association of Middle Managers | June 30, 2020 |
| 41 | Liverpool Cafeteria Employees | June 30, 2020 |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | |
|---|--------------------|
| Gross Indebtedness ⁽²⁾ | \$ 89,930,000 0 |
| Total Net Indebtedness | |
| Net Debt Contracting Margin | \$ 211,226,899 |
| Percentage of Debt Contracting Power Exhausted | 29.86% |

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

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 \$32,110,000 School District Bonds to DASNY in connection with the refunding of \$38,885,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding Indebtedness ⁽¹⁾ | Exclusions ⁽²⁾ | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-------------|--|---------------------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Onondaga | \$ 652,085,295 | \$ 326,150,634 | \$ 325,934,661 | 11.54% | \$ 37,612,860 |
| Town of: | | | | | |
| Clay | 3,989,543 | 836,300 | 3,153,243 | 53.34 | 1,681,940 |
| Salina | 19,528,573 | - | 19,528,573 | 68.53 | 13,382,931 |
| Village of: | | | | | |
| Liverpool | 2,235,379 | 1,650,379 | 585,000 | 100.00 | 585,000 |
| | | | | Total | \$ 53,262,731 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | <u>Amount</u> | Per <u>Capita⁽²⁾</u> | Percentage of Full <u>Value⁽³⁾</u> |
|--|---------------|------------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$ 89,930,000 | \$ 1,768.74 | 2.99% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 143,192,731 | 2,816.32 | 4.75 |

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

⁽²⁾ Sewer and water debt.

Based on the District's current estimated population of 50,844.

Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$3,011,568,991.

The District expects to deliver \$32,110,000 School District Bonds to DASNY in connection with the refunding of \$38,885,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The School District has generally found it necessary to borrow from time to time in anticipation of real property taxes and State aid revenue payments. The timing of such borrowings are necessitated by the schedule of real property tax payments and State aid payments. The history of such note borrowings since the 2010-11 fiscal year is as follows:

| Fiscal Year | <u>Type</u> | <u>Amount</u> | Issue Date | Rate % | Due Date |
|-------------|-------------|---------------|------------|--------|----------|
| 2010-2011 | RAN | \$ 9,000,000 | 7/9/10 | 1.02 | 7/6/11 |
| 2011-2012 | RAN | 9,000,000 | 7/6/11 | 0.79 | 7/6/12 |
| 2012-2013 | RAN | 9,000,000 | 7/6/12 | 1.25 | 7/5/13 |
| 2013-2014 | RAN | 7,500,000 | 7/8/13 | 0.50 | 7/8/14 |
| 2014-2015 | RAN | 6,500,000 | 7/8/14 | 1.00 | 7/8/15 |
| 2015-2016 | RAN | 5,000,000 | 7/7/15 | 1.50 | 7/7/16 |

The District did not issue revenue anticipation notes for the 2016-2017 fiscal year and does not plan to do so in the remainder of 2017-2018 or 2018-2019.

Capital Project Plans

On March 10, 2016, the voters approved a capital project for \$39,481,107, authorizing \$2,650,278 from the capital reserve and \$36,830,829 bonds to be issued for reconstruction, renovation and improvements to District buildings and facilities. The District plans to borrow \$20 million with a bond anticipation note for this project on June 28, 2018. Future borrowings will be dependent on construction cash flow needs.

On December 14, 2017 the District voters approved for a Phase 4 project in the amount of \$10,351,840 which includes reconstruction, renovation, and improvements to nine buildings. The voters authorized the use of \$2,000,000 from the capital reserve and issuance of bonds in the amount of \$8,351,840. Borrowings will be dependent on State Education Department approval and construction cash flow needs.

On May 15, 2018 the voters will be voting on a \$2 million project for security improvements throughout District buildings. Future borrowings will be dependent on State Education Department approval and construction cash flow needs.

The District annually authorizes bus purchases at the time of the budget vote. The District voters will be voting on a proposition in the amount of \$1,267,848 for the purchase of buses on May 15, 2018. The District plans to issue bond anticipation notes in Fall 2018 pending a successful vote.

The District is reviewing its facilities for additional work to be undertaken. A timeline or amount has not been determined as of this Official Statement..

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.

Liverpool Central School District https://emma.msrb.org/ER1098156-ER859222-ER1259914.pdf Base CUSIP: 538361

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 returned to the County for collection. The School District receives this amount from the County prior to the end of the School District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by said 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|
| Towns of: | | | | | |
| Clay | \$78,068,066 | \$78,663,386 | \$79,253,407 | \$79,694,606 | \$79,788,132 |
| Salina | 1,140,596,706 | 1,142,254,483 | 1,140,250,156 | 1,137,867,242 | 1,150,920,043 |
| Total Assessed Valuation | \$ 1,218,664,772 | \$ 1,220,917,869 | \$ 1,219,503,563 | \$ 1,217,561,848 | \$ 1,230,708,175 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|------------------|------------------|------------------|------------------|------------------|
| Towns of: | | | | | |
| Clay | 4.35% | 4.33% | 4.31% | 4.27% | 4.29% |
| Salina | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Taxable Full | | | | | |
| Valuation | \$ 2,935,264,890 | \$ 2,958,960,857 | \$ 2,979,076,304 | \$ 3,004,251,457 | \$ 3,010,783,260 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--|---------------|---------------|---------------|---------------|---------------|
| Total Tax Levy % Uncollected When Due ⁽¹⁾ | \$ 76,310,421 | \$ 77,944,576 | \$ 79,339,783 | \$ 80,847,241 | \$ 82,829,680 |
| | 3.81% | 3.96% | 3.67% | 3.60% | 4.41% |

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

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> ⁽¹⁾ | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|--|------------------------------|---|
| 2013-2014 | \$ 50,361,163 | \$ 131,154,010 | 38.40% |
| 2014-2015 | 52,215,378 | 135,391,342 | 38.57 |
| 2015-2016 | 57,453,460 | 146,643,301 | 39.18 |
| 2016-2017 | 60,934,942 | 147,046,146 | 41.44 |
| 2017-2018 (Budgeted) | 62,600,555 | 149,953,676 | 41.75 |
| 2018-2019 (Proposed) | 64,360,506 | 154,546,184 | 41.64 |

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2013-2014 fiscal year, the budgeted payments for the current fiscal year, and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|--------------|--------------|
| 2013-2014 | \$ 2,630,170 | \$ 7,977,647 |
| 2014-2015 | 2,531,397 | 8,834,768 |
| 2015-2016 | 2,379,764 | 6,900,491 |
| 2016-2017 | 1,831,234 | 6,226,472 |
| 2017-2018 (Budgeted) | 2,441,242 | 5,616,563 |
| 2018-2019 (Proposed) | 2,636,472 | 6,139,375 |

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

GASB and OPEB

The District contracted with an auditing firm to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2017, 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 \$430,562,059. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$430,562,059. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$170,079,639. The District's annual OPEB expense was \$36,585,669 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$11,627,292 to the Plan for the fiscal year ending June 30, 2017, resulting in a net increase to its unfunded OPEB obligation of \$24,958,377, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$195,038,016. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$3,611,681 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$6,135,571 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt Service | Total Debt <u>Service</u> |
|-----------------------|---------------------------------|---------------------|------------------------------|
| 2017-2018 | \$8,866,125 | - | \$8,866,125 |
| 2018-2019 | 8,384,200 | \$3,098,475 | 11,482,675 |
| 2019-2020 | 6,489,350 | 3,219,731 | 9,709,081 |
| 2020-2021 | 6,494,350 | 3,215,731 | 9,710,081 |
| 2021-2022 | 5,226,600 | 3,217,731 | 8,444,331 |
| 2022-2023 | 4,829,350 | 3,220,231 | 8,049,581 |
| 2023-2024 | 4,819,500 | 3,217,981 | 8,037,481 |
| 2024-2025 | 4,644,300 | 3,220,981 | 7,865,281 |
| 2025-2026 | 3,533,450 | 3,223,731 | 6,757,181 |
| 2026-2027 | 1,895,000 | 3,220,981 | 5,115,981 |
| 2027-2028 | 1,895,500 | 3,217,731 | 5,113,231 |
| 2028-2029 | 1,547,000 | 3,218,731 | 4,765,731 |
| 2029-2030 | 1,246,750 | 3,223,481 | 4,470,231 |
| 2030-2031 | 273,000 | 3,221,481 | 3,494,481 |
| 2031-2032 | - | 2,082,731 | 2,082,731 |
| 2032-2033 | - | 1,638,731 | 1,638,731 |
| 2033-2034 | - | 987,231 | 987,231 |

Historical Disclosure Compliance

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

• The District failed to file a Material Event Notice in a timely manner for rating upgrade of National Public Finance Guarantee by Moody's Investors Service ("Moody's"). The rating change occurred on May 21, 2014 and pursuant to previous disclosure undertakings, an event notice was required within 10 business days of the rating change. The event notice was filed June 27, 2014 which was 17 days late.

The information contained under this subheading "Historical Disclosure Compliance" does not constitute operating data and annual financial information for purposes of DASNY's continuing disclosure agreement.

APPENDIX C-33 DESCRIPTION OF LYNCOURT UNION FREE SCHOOL DISTRICT

There follows in this Appendix C-33 a brief description of the Lyncourt Union Free School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District is located in the central part of New York State located in Onondaga County and headquartered in the Town of Salina. Many residents work in the City of Syracuse which is coterminous to the District. Major highways bisecting the District include State Routes #5 and #11. In close proximity to the District are Interstate #90 (the New York State Thruway) and Interstate #81 providing east-west and north-south access.

The District is primarily residential and industrial in nature. Gas and electric services are prepared by National Grid. Sewer and water services are available to residents by the City of Syracuse and O.C.W.A.

Population

The current estimated population of the District is 3,707. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | Type | Employees |
|-------------------------------------|----------------|------------------|
| Upstate University Health System | Hospital | 9,000-9,500 |
| Syracuse University | Education | 4,500-5,000 |
| St. Joseph's Hospital Health Center | Hospital | 4,500-5,000 |
| Roman Catholic Diocese | Religious | 3,500-4,000 |
| Wegmans Food Markets | Grocery Stores | 3,500-4,000 |

Five Largest Taxpayers

| <u>Name</u> | Type | Full Valuation |
|------------------------|-----------------|----------------|
| National Grid | Utility | \$18,309,618 |
| Shop City PW/LB LLC | Shopping Center | 4,500,000 |
| Verizon New York, Inc | Telephone | 2,926,092 |
| Brook Manor Realty LLC | Apartment | 2,800,000 |
| CSX Transportation Inc | Railroad | 1,852,975 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 20.8% of the tax base of the District.

Unemployment Rate Statistics

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

| Year Av | erage |
|---------|-------|
|---------|-------|

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------|-------------|-------------|-------------|-------------|-------------|
| Onondaga County | 6.8% | 5.5% | 4.9% | 4.5% | 4.6% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 335 | 359 | 379 | 399 | 415 | 408 | 413 |

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|--------------------------------------|------------------------------------|
| 54 | Lyncourt Teachers' Association | June 30, 2019 |
| 17 | Service Employee International Union | June 30, 2019 |
| 7 | Confidential Administration | June 30, 2018 |

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018 (1)

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$172,217,596 17,221,760 |
|---|-----------------------------|
| Gross Indebtedness ⁽²⁾ | \$6,861,931 0 |
| Total Net Indebtedness | \$6,861,931 |
| Net Debt Contracting Margin | \$10,359,829 |
| Percentage of Debt Contracting Power Exhausted | 39.84% |

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

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding <u>Indebtedness⁽¹⁾</u> | Exclusions ⁽²⁾ | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|------------------------------------|---|---------------------------|----------------------------|--------------------------|--|
| County of: Onondaga Town of: | \$652,085,295 | \$326,150,634 | \$325,934,661 | 0.63% | \$2,053,388 |
| Salina | 19,528,573 | 0 | 19,528,873 | 10.16 | 1,984,103 |
| | | | | Total | \$4,037,491 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

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 \$1,125,000 School District Bonds to DASNY in connection with the refunding of \$1,281,931 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted accordingly.

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.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | Amount | Per Capita ⁽²⁾ | Percentage of Full Value ⁽³⁾ |
|--|-------------|------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ Gross Indebtedness Plus Net Overlapping Indebtedness | \$6,861,931 | \$1,851.07 | 3.98% |
| | 10,899,422 | 2.940.23 | 6.33 |

- (1) The District has not incurred any indebtedness since the date of the above table.
- Based on the District's current estimated population of 3,707.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$172,217,596.
- The District expects to deliver \$1,125,000 School District Bonds to DASNY in connection with the refunding of \$1,281,931 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not 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.

Lyncourt Union Free School District http://emma.msrb.org/ER1105022-ER864173-ER1264872.pdf Base CUSIP: 551264

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 the 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Salina | \$168,165,004 | \$168,272,211 | \$169,416,509 | \$170,596,073 | \$172,217,596 |
| Total Assessed Valuation | \$168,165,004 | \$168,272,211 | \$169,416,509 | \$170,596,073 | \$172,217,596 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | 100.000/ | 100.000/ | 100.000/ | 100.000/ | 100.000/ |
| Salina Taxable Full | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Valuation | \$168,165,004 | \$168,272,211 | \$169,416,509 | \$170,596,073 | \$172,217,596 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$5,371,000 | \$5,394,080 | \$5,429,199 | \$5,417,841 | \$5,445,872 |
| % Uncollected When Due ⁽¹⁾ | 5.6% | 5.4% | 5.6% | 6.5% | 6.0% |

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

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid⁽¹⁾</u> | Total <u>Revenues</u> ⁽¹⁾ | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|---|---|--|
| 2013-2014 | \$3,163,999 | \$9,092,693 | 34.80% |
| 2014-2015 | 3,158,565 | 9,725,259 | 32.48 |
| 2015-2016 | 3,417,220 | 9,452,760 | 36.15 |
| 2016-2017 | 3,403,520 | 9,531,240 | 35.71 |
| 2017-2018 (Budgeted) | 3,599,583 | 9,694,000 | 37.13 |
| 2018-2019 (Proposed) | 3,841,650 | 10,660,000 | 36.04 |

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2013-2014 | \$103,042 | \$465,123 |
| 2014-2015 | 78,849 | 469,320 |
| 2015-2016 | 88,226 | 526,766 |
| 2016-2017 | 76,701 | 449,408 |
| 2017-2018 (Budgeted) | 76,014 | 409,200 |
| 2018-2019 (Proposed) | 78,426 | 344,398 |

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

GASB 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, 2017, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$18,650,541. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$18,650,541. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$7,011,425. The District's annual OPEB expense was \$1,936,544 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$404,603 to the Plan for the fiscal year ending June 30, 2017 to 35 employees, resulting in a net increase to its unfunded OPEB obligation of \$1,531,941, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$8,543,366. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$337,560 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$1,360,165 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 <u>Year</u> | Existing Debt Service | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|--------------------------|----------------------------|------------------------------|
| 2017-2018 | \$624,276 | | \$624,276 |
| 2018-2019 | 634,531 | \$114,063 | 748,594 |
| 2019-2020 | 632,338 | 109,250 | 741,588 |
| 2020-2021 | 627,081 | 106,500 | 733,581 |
| 2021-2022 | 622,713 | 113,750 | 736,463 |
| 2022-2023 | 541,375 | 110,500 | 651,875 |
| 2023-2024 | 440,750 | 112,250 | 553,000 |
| 2024-2025 | 446,250 | 108,750 | 555,000 |
| 2025-2026 | 220,500 | 110,250 | 330,750 |
| 2026-2027 | - | 111,500 | 111,500 |
| 2027-2028 | - | 107,500 | 107,500 |
| 2028-2029 | - | 108,500 | 108,500 |
| 2029-2030 | - | 109,250 | 109,250 |
| 2030-2031 | - | 104,750 | 104,750 |
| 2031-2032 | - | 110,250 | 110,250 |
| 2032-2033 | - | 110,250 | 110,250 |

APPENDIX C-34 DESCRIPTION OF MORAVIA CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-34 a brief description of the Moravia 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 155 square miles and is comprised of portions of the Towns of Locke, Moravia, Niles, Sempronius, Summerhill and Venice located in Cayuga County; Lansing located in Tompkins County; and Skaneateles located in Onondaga County. The District lies approximately 20 miles south of the City of Auburn, 25 miles north of the City of Ithaca and 15 miles northwest of the City of Cortland.

The Village of Moravia, the birthplace of President Millard Fillmore, serves as the commercial and residential hub of the District. Highways in close proximity to the District include Routes #20 and US Interstate #81. Gas and electric services are provided by New York State Electric & Gas Corporation as well as National Grid. Sewer and water services are provided in the District by the municipalities located in the District. Police protection is provided by Village, County and State agencies. Fire protection is provided by various volunteer units.

Population

The current estimated population of the District is 7,379. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|---------------------------------|---------------|------------------|
| Cayuga Correctional Facility | Prison | 430 |
| Moravia Central School District | Education | 180 |
| Alnye Trucking | Hauling | 125 |
| UPSCO | Manufacturing | 70 |
| Modern Market | Retail | 35 |

Five Largest Taxpayers

| <u>Name</u> | Type | <u>Taxable Assessed</u> <u>Valuation</u> |
|---|------------------|---|
| State of New York | Government | \$15,685,300 |
| New York State Electric & Gas Corporation | Utility | 9,080,807 |
| National Grid | Utility | 2,918,905 |
| Cayuga Lake Mobile Home Park | Mobile Home Park | 2,469,500 |
| Verizon, New York, Inc. | Utility | 2,023,289 |

The total estimated taxable assessed valuation of the top ten (10) taxpayers represents approximately 8.0% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) are Cayuga, Onondaga and Tompkins Counties.

| | Year Average | | | | |
|-----------------|--------------|-------------|-------------|-------------|-------------|
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Cayuga County | 7.4% | 6.0% | 5.3% | 5.0% | 5.1% |
| Onondaga County | 6.8 | 5.5 | 4.9 | 4.5 | 4.7 |
| Tompkins County | 5.2 | 4.4 | 4.4 | 4.1 | 4.4 |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | 2013-14 | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected 2019-20 |
|------|---------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 970 | 976 | 985 | 956 | 973 | 980 | 980 |

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|--|---------------------------------|
| 86 | Moravia Central School Teachers' Association | June 30, 2020 |
| 78 | Civil Service Employees' Association of Cayuga County | June 30, 2019 |
| 7 | Moravia Central School Educational Secretaries Association | June 30, 2021 |
| 6 | Moravia Administrators' Association | June 30, 2020 |

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018 (1)

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$534,422,973 53,442,297 |
|---|-----------------------------|
| Gross Indebtedness ⁽²⁾ | \$22,737,043 0 |
| Total Net Indebtedness | \$22,737,043 |
| Net Debt Contracting Margin Percentage of Debt Contracting Power Exhausted | \$30,705,254 42,55% |

- (1) The District has not incurred any indebtedness since the date of this table.
- 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 \$3,890,000 School District Bonds to DASNY in connection with the refunding of \$4,469,043 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.
- 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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding <u>Indebtedness</u> ⁽¹⁾ | Exclusions ⁽²⁾ | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-------------|---|---------------------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Cayuga | \$63,420,243 | \$31,448,481 | \$31,971,762 | 11.38% | \$3,638,387 |
| Tompkins | 67,553,400 | 1,277,521 | 66,275,879 | 0.01 | 6,628 |
| Onondaga | 652,085,295 | 326,150,634 | 325,934,661 | 0.01 | 32,593 |
| Town of: | | | | | |
| Locke | 232,783 | 232,783 | 0 | 88.31 | 0 |
| Moravia | 51,057 | 51,057 | 0 | 100.00 | 0 |
| Niles | 0 | 0 | 0 | 92.57 | 0 |
| Sempronius | 0 | 0 | 0 | 84.38 | 0 |
| Summer Hill | 59,581 | 0 | 59,581 | 11.53 | 6,870 |
| Venice | 324,138 | 0 | 324,138 | 8.69 | 28,168 |
| Lansing | 3,225,073 | 799,492 | 2,425,581 | 0.06 | 1,455 |
| Skaneateles | 1,885,849 | 367,700 | 1,518,149 | 0.18 | 2,733 |
| Village of: | | | | | |
| Moravia | 912,460 | 451,200 | 461,260 | 100.00 | 461,260 |
| | | | | Total | \$ 4,178,093 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018 (1)

| | | Per | Percentage of Full |
|--|---------------|-----------------------|-----------------------|
| | Amount | Capita ⁽²⁾ | Value ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ | \$22,737,043 | \$3,081.32 | 4.25% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 26,915,136 | 3,647.53 | 5.04 |

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

⁽²⁾ Sewer and water debt.

Based on the District's current estimated population of 7,379.

Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$534,422,973.

The District expects to deliver \$3,890,000 School District Bonds to DASNY in connection with the refunding of \$4,469,043 of the District's outstanding bond anticipation notes. 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, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

The District historically issues serial bonds on an annual basis to finance replacement of aging student transport vehicles. On May 15, 2018, the qualified voters of the District will consider a proposition to approve the issuance of serial bonds in the par amount of \$350,000 for such purposes.

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

FINANCIAL FACTORS

General Information

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

Moravia Central School District https://emma.msrb.org/ER1113549-ER870998-ER1271700.pdf Base CUSIP: 616531

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 the Counties for collection. The District receives this amount from said Counties prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the Counties.

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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Locke | \$69,673,374 | \$69,556,088 | \$69,674,852 | \$69,739,821 | \$70,658,473 |
| Moravia | 143,168,734 | 143,376,639 | 144,140,772 | 145,785,059 | 146,985,554 |
| Niles | 205,725,566 | 206,609,731 | 207,078,996 | 206,599,830 | 206,635,750 |
| Sempronius | 59,471,064 | 59,726,136 | 59,735,624 | 62,989,002 | 62,971,342 |
| Summerhill | 7,306,840 | 7,316,719 | 7,322,871 | 7,372,637 | 7,421,789 |
| Venice | 7,807,260 | 7,838,961 | 7,781,208 | 9,053,645 (1) | 9,042,754 |
| Lansing | 746,976 | 740,027 | 756,011 | 767,973 | 765,877 |
| Skaneateles | 2,313,196 | 2,315,061 | 2,317,072 | 2,552,895 | 2,696,205 |
| Total Assessed Valuation | \$496,213,010 | \$497,479,362 | \$498,807,406 | \$504,860,862 | \$507,177,744 |

⁽¹⁾ Significant change due to revaluation.

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|---------------|---------------|----------------|---------------|
| Towns of: | | | | | |
| Locke | 106.66% | 106.53% | 100.00% | 100.00% | 98.00% |
| Moravia | 100.00 | 100.00 | 99.00 | 95.00 | 91.00 |
| Niles | 100.00 | 100.00 | 100.00 | 97.00 | 95.00 |
| Sempronius | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Summerhill | 100.00 | 100.00 | 99.00 | 95.00 | 95.00 |
| Venice | 100.00 | 100.00 | 95.00 | $100.00^{(1)}$ | 100.00 |
| Lansing | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Skaneateles | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Taxable Full | | | | | |
| Valuation | \$491,862,507 | \$493,215,763 | \$500,746,879 | \$519,311,479 | \$534,422,973 |

⁽¹⁾ Significant change due to revaluation.

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$7,325,778 | \$7,579,635 | \$7,725,116 | \$7,751,953 | \$7,894,589 |
| % Uncollected When Due ⁽¹⁾ | 6.68% | 6.60% | 6.42% | 6.74% | 5.52% |

⁽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 payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> (1) | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|-------------------------------|------------------------------|---|
| 2013-2014 | \$10,622,394 | \$18,691,687 | 56.83% |
| 2014-2015 | 11,269,064 | 19,690,958 | 57.23 |
| 2015-2016 | 11,960,159 | 20,765,505 | 57.60 |
| 2016-2017 | 12,398,355 | 20,854,473 | 59.45 |
| 2017-2018 (Budgeted) | 13,207,602 | 22,382,141 | 59.01 |
| 2018-2019 (Proposed) | 13,890,918 | 22,915,697 | 60.62 |

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2013-2014 fiscal year, the budgeted payments for the current fiscal year, and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2013-2014 | \$329,094 | \$909,026 |
| 2014-2015 | 318,868 | 1,007,656 |
| 2015-2016 | 384,622 | 734,793 |
| 2016-2017 | 232,500 | 795,822 |
| 2017-2018 (Budgeted) | 320,000 | 800,000 |
| 2018-2019 (Proposed) | 310,000 | 790,000 |

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

GASB and **OPEB**

The District contracted with The Burke Group to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 75. The first actuarial valuation under GASB 75 was completed for the fiscal year ending June 30, 2017. Prior valuations performed under GASB 45 guidelines have not been restated and are not reflected in historic exhibits. The last full valuation was done for the fiscal year ending June 30, 2015 under GASB 45 guidelines. An interim valuation was done for the fiscal year ending June 30, 2016 under GASB 45.

The following outlines the changes to the Total OPEB Liability during the fiscal year, by source.

| Total OPEB Liability at June 30, 2017: | \$28,013,014 |
|--|--------------|
| Net changes | \$(367,607) |
| Benefit payments | (862,296) |
| Changes in assumptions or other inputs | (1,975,263) |
| Differences between expected and actual experience | 668,938 |
| Interest | 950,393 |
| Service cost | \$850,621 |
| Changes for the Year: | |
| Total OPEB Liability at June 30, 2016: | \$28,380,621 |

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 \$997,393 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$1,249,204 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|---------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$ 2,475,831 | - | \$2,475,831 |
| 2018-2019 | 2,496,878 | \$381,092 | 2,877,970 |
| 2019-2020 | 2,452,120 | 388,250 | 2,840,370 |
| 2020-2021 | 2,402,635 | 393,250 | 2,795,885 |
| 2021-2022 | 2,339,675 | 387,500 | 2,727,175 |
| 2022-2023 | 2,297,922 | 391,500 | 2,689,422 |
| 2023-2024 | 2,218,638 | 389,750 | 2,608,388 |
| 2024-2025 | 597,263 | 392,500 | 989,763 |
| 2025-2026 | 598,988 | 389,500 | 988,488 |
| 2026-2027 | 599,738 | 391,000 | 990,738 |
| 2027-2028 | 374,425 | 391,750 | 766,175 |
| 2028-2029 | 375,325 | 391,750 | 767,075 |
| 2029-2030 | 370,875 | 391,000 | 761,875 |
| 2030-2031 | 371,250 | 394,500 | 765,750 |
| 2031-2032 | 370,919 | 392,000 | 762,919 |
| 2032-2033 | 375,225 | 183,750 | 558,975 |
| 2033-2034 | 373,600 | - | 373,600 |
| 2034-2035 | 376,600 | - | 376,600 |
| 2035-2036 | 373,200 | - | 373,200 |
| 2036-2037 | 374,400 | - | 374,400 |

Historical Disclosure Compliance

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

- The District's 2016 Audited Financial Report was required to be filed to Electronic Municipal Market Access (EMMA) website no later than December 31, 2016. Due to clerical oversight, the District's 2016 Audit was not filed to EMMA until January 4, 2017, which was 4 days after the filing deadline. The District however did file a tentative ("draft") version of its Audited Financial Statement together with its Annual Financial Information and Operating Data on December 30, 2016. A notice disclosure the District's failure to file annual financial information was posted to EMMA on January 10, 2017.
- The District failed to timely file notice of an enhanced rating change as well as notice of its failure to file such event information. On December 14, 2017, Moody's Investors Services ("Moody's") upgraded the enhanced rating of the District from "A1" to "Aa3". The underlying rating of the District has not been impacted by this rating change. A material event notice disclosing the rating change and the failure to file event information was posted to EMMA on March 5, 2018.

The information contained under this subheading "Historical Disclosure Compliance" does not constitute operating data and annual financial information for purposes of DASNY's continuing disclosure agreement.

APPENDIX C-35 DESCRIPTION OF MOUNT MARKHAM CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-35 a brief description of the Mount Markham 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 1969 under the legal name of Bridgewater-Leonardsville-West Winfield Central School District and has an area of approximately 200 square miles. In June 2007, the District changed the legal name to Mount Markham Central School District. The District is located in Herkimer, Madison, Oneida and Otsego Counties (collectively, the "Counties"). It includes the Towns of Bridgewater, Plainfield and Winfield, a large portion of the Towns of Brookfield, Columbia, Exeter and Litchfield, and a small area of the Towns of Edmeston, Frankfort, Paris and Richfield. The Villages of Bridgewater and West Winfield are located within the District.

The main campus is in West Winfield and includes a Pre-K-4 Elementary building, a 5-8 Middle School building, a 9-12 High School building and a bus garage.

The District is a mixture of residential and agricultural areas, with many of its residents commuting to Utica for employment.

While the District provides public education for grades Pre-K-12, there is a Head Start Program for preschoolers. Opportunities for higher education include the SUNY Colleges at Oneonta, Utica-Rome, Morrisville, and Cortland, Herkimer County Community College, Mohawk Valley Community College, Utica College of Syracuse University and Syracuse University.

Recreational and cultural facilities are available in and around the Utica-Rome area. Opportunities abound in both summer and winter recreational activities. Cultural opportunities are found in Utica and at the local colleges.

Population

The current estimated population of the District is 7,073. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|---------------------------------------|----------------------------|------------------|
| Mount Markham Central School District | Public Education | 210 |
| Precisionmatics | Manufacturer – Small Parts | 55 |
| Curtin Dairy, LLP | Dairy Farm | 32 |
| Cedar Lake Club | Golf Course | 25 |
| Great American Market | Grocery Store | 20 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|---|----------------|----------------|
| Tennessee Gas Pipeline Co. | Utility | \$23,339,147 |
| Curtin Dairy, LLP | Dairy Farm | 12,573,458 |
| New York State Electric & Gas Corporation | Utility | 4,292,714 |
| Entwistle Bros. Realty LLC | Dairy Products | 3,722,366 |
| Cedar Lake Club | Golf Course | 3,578,022 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 15.46% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) are Herkimer, Madison, Oneida, and Otsego Counties.

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------|-------------|-------------|-------------|-------------|-------------|
| Herkimer County | 7.8% | 6.7% | 6.2% | 5.5% | 5.8% |
| Madison County | 7.6 | 6.4 | 5.7 | 5.2 | 5.6 |
| Oneida County | 7.4 | 6.1 | 5.3 | 4.8 | 5.1 |
| Otsego County | 6.8 | 5.7 | 5.4 | 4.9 | 5.1 |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.6 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|----------|----------------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| Pre-K-12 | 1,138 | 1,119 | 1,094 | 1,092 | 1,126 | 1,120 | 1,121 |

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|---|---------------------------------|
| 111 | Mount Markham Teachers' Association | June 30, 2018 ⁽¹⁾ |
| 56 | Service Unit Association of Mount Markham | June 30, 2019 |
| 28 | Bus Drivers' Association of Mount Markham | June 30, 2020 |
| 6 | Mount Markham Administrators' Association | June 30, 2018 ⁽¹⁾ |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$359,162,993 35,916,299 |
|---|-----------------------------|
| Gross Indebtedness ⁽²⁾ | \$30,795,000 0 |
| Total Net Indebtedness | \$30,795,000 |
| Net Debt Contracting Margin | \$5,121,299 85,74% |

- (1) The District has not incurred any indebtedness since the date of this table.
- 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 \$6,395,000 School District Bonds to DASNY in connection with the refunding of \$8,080,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.
- 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 2016 fiscal year of the respective municipalities.

| | Outstanding | | Net | % Within | Applicable Net |
|---------------------|-----------------------------|----------------|---------------------|-----------------|---------------------|
| <u>Unit</u> | Indebtedness ⁽¹⁾ | Exclusions (2) | Indebtedness | District | Indebtedness |
| Counties of: | | | | | |
| Herkimer | \$6,900,000 | \$0 | \$6,900,000 | 4.15% | \$286,350 |
| Madison | 0 | 0 | 0 | 0.67 | 0 |
| Oneida | 188,256,579 | 0 | 188,256,579 | 0.59 | 1,110,714 |
| Otsego | 4,176,459 | 0 | 4,176,459 | 1.76 | 73,506 |
| Towns of: | | | | | |
| Bridgewater | 0 | 0 | 0 | 95.09 | 0 |
| Brookfield | 480,604 | 0 | 480,604 | 22.08 | 106,117 |
| Columbia | 0 | 0 | 0 | 25.86 | 0 |
| Edmeston | 0 | 0 | 0 | 3.14 | 0 |
| Exeter | 0 | 0 | 0 | 20.09 | 0 |
| Frankfort | 0 | 0 | 0 | 0.74 | 0 |
| Litchfield | 0 | 0 | 0 | 79.79 | 0 |
| Paris | 1,099,200 | 0 | 1,099,200 | 0.11 | 1,209 |
| Plainfield | 0 | 0 | 0 | 100.00 | 0 |
| Richfield | 0 | 0 | 0 | 5.84 | 0 |
| Winfield | 149,579 | 0 | 149,579 | 99.75 | 149,205 |
| Village of: | | | | | |
| West Winfield | 0 | 0 | 0 | 100.00 | 0 |
| | | | | Total | \$1,727,101 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | | Per | Percentage of Full |
|--|----------------------------|------------------------|----------------------|
| | Amount | Capita ⁽²⁾ | Value ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ Gross Indebtedness Plus Net Overlapping Indebtedness | \$30,795,000 32,522,101 | \$4,353.88 4,598.06 | 8.57% 9.05 |

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

⁽²⁾ Sewer and water debt.

Based on the District's current estimated population of 7,073.

Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$359,162,993.

The District expects to deliver \$6,395,000 School District Bonds to DASNY in connection with the refunding of \$8,080,000 of the District's outstanding bond anticipation notes. 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, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

The District is considering the repair or replacement of a broken bus in the bus garage. However, as of the date of this Appendix C, the possible project is in the very preliminary discussion phase.

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.

Mount Markham Central School District https://emma.msrb.org/ES1081442-ES839907-ES1240930.pdf Base CUSIP: 108645

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. On November 1st, a list of all unpaid taxes is given to the Counties for relevy on County/Town tax rolls. The District is reimbursed by the Counties for all unpaid taxes the first week of April in each year and is thus assured of 100% collection of its annual levy.

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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Bridgewater | \$54,702,475 | \$55,646,282 | \$55,139,780 | \$55,103,713 | \$55,407,401 |
| Brookfield | 25,176,729 | 25,150,813 | 25,201,011 | 25,713,365 | 26,027,835 |
| Columbia | 17,149,071 | 17,368,948 | 17,661,148 | 17,870,580 | 18,027,410 |
| Edmeston | 1,924,828 | 1,927,859 | 1,921,938 | 1,920,082 | 1,965,605 |
| Exeter | 6,651,465 | 6,626,386 | 6,680,201 | 6,772,731 | 6,813,434 |
| Frankfort | 2,031,195 | 2,034,443 | 2,126,528 | 2,112,642 | 2,115,242 |
| Litchfield | 57,518,519 | 58,619,809 | 58,886,268 | 59,747,739 | 60,009,766 |
| Paris | 244,766 | 245,854 | 246,942 | 248,049 | 249,210 |
| Plainfield | 61,174,161 | 60,685,667 | 62,107,956 | 62,268,155 | 58,378,099 |
| Richfield | 8,550,733 | 8,623,292 | 8,812,350 | 8,893,341 | 8,946,393 |
| Winfield | 93,579,029 | 94,089,195 | 94,596,251 | 95,317,773 | 95,500,865 |
| Total Assessed Valuation | \$328,702,971 | \$331,018,548 | \$333,380,373 | \$335,968,170 | \$333,441,260 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Bridgewater | 97.00% | 90.50% | 85.00% | 85.00% | 89.00% |
| Brookfield | 100.00 | 100.00 | 98.00 | 98.00 | 98.00 |
| Columbia | 90.00 | 89.00 | 89.00 | 90.00 | 91.00 |
| Edmeston | 58.00 | 58.00 | 60.00 | 60.00 | 59.00 |
| Exeter | 58.00 | 61.61 | 58.31 | 56.86 | 53.79 |
| Frankfort | 68.44 | 70.00 | 70.10 | 71.50 | 72.00 |
| Litchfield | 90.00 | 89.00 | 89.00 | 90.00 | 91.00 |
| Paris | 107.92 | 100.00 | 100.00 | 100.00 | 95.00 |
| Plainfield | 122.09 | 128.78 | 121.34 | 115.22 | 113.35 |
| Richfield | 97.56 | 100.00 | 100.00 | 100.00 | 100.00 |
| Winfield | 90.00 | 89.00 | 89.00 | 90.00 | 91.00 |
| Taxable Full | | | | | |
| Valuation | \$345,363,459 | \$350,715,516 | \$360,819,403 | \$364,467,580 | \$359,162,993 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$6,361,591 | \$6,489,610 | \$6,617,105 | \$6,676,205 | \$6,677,405 |
| % Uncollected When Due ⁽¹⁾ | 11.73% | 11.86% | 12.85% | 12.76% | 12.53% |

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

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> (1) | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|-------------------------------|------------------------------|---|
| 2013-2014 | \$16,844,489 | \$23,682,169 | 71.13% |
| 2014-2015 | 16,980,918 | 24,052,726 | 70.60 |
| 2015-2016 | 16,683,565 | 23,865,925 | 69.91 |
| 2016-2017 | 17,021,764 | 24,093,599 | 70.65 |
| 2017-2018 (Budgeted) | 17,982,716 | 24,835,940 | 72.41 |
| 2018-2019 (Proposed) | 18,461,122 | 26,275,933 | 70.26 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | TRS |
|----------------------|------------|-------------|
| 2013-2014 | \$426,259 | \$1,094,806 |
| 2014-2015 | 371,934 | 1,294,010 |
| 2015-2016 | 321,282 | 969,583 |
| 2016-2017 | 251,805 | 915,977 |
| 2017-2018 (Budgeted) | 317,190 | 868,224 |
| 2018-2019 (Proposed) | 311,836 | 892,978 |

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

GASB and OPEB

The District contracted with Armory and Associates to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of July 1, 2016 the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$51,824,176. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$51,824,176. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$23,723,077. The District's annual OPEB expense was \$4,256,462 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,781,416 to the Plan for the fiscal year ending June 30, 2017 to 201 employees, resulting in a net increase to its unfunded OPEB obligation of \$2,475,046, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$26,198,123. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$617,409 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$1,029,400 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|---------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$2,085,850 | - | \$2,085,850 |
| 2018-2019 | 2,081,750 | \$1,006,004 | 3,087,754 |
| 2019-2020 | 2,074,000 | 950,500 | 3,024,500 |
| 2020-2021 | 2,072,750 | 757,500 | 2,830,250 |
| 2021-2022 | 2,077,500 | 767,500 | 2,845,000 |
| 2022-2023 | 2,072,750 | 760,750 | 2,833,500 |
| 2023-2024 | 2,073,750 | 758,000 | 2,831,750 |
| 2024-2025 | - | 599,000 | 599,000 |
| 2025-2026 | - | 596,500 | 596,500 |
| 2026-2027 | - | 588,000 | 588,000 |
| 2027-2028 | - | 398,750 | 398,750 |
| 2028-2029 | - | 397,750 | 397,750 |
| 2029-2030 | - | 401,000 | 401,000 |
| 2030-2031 | - | 393,250 | 393,250 |
| 2031-2032 | - | 210,000 | 210,000 |

APPENDIX C-36 DESCRIPTION OF NORTHVILLE CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-36 a brief description of the Northville 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 1932, is located in the Towns of Bleecker, Mayfield and Northampton in Fulton County, the Towns of Benson and Hope in Hamilton County and the Town of Edinburg in Saratoga County. The District covers approximately 143 square miles. The School building is located in the Village of Northville, approximately 30 miles north of the City of Amsterdam.

The District is located at the north end of Great Sacandaga Lake and is reached by NYS Route #30. Access to the New York State Thruway is available at Amsterdam. Bus and rail service are available in Amsterdam as well. Air transportation is available in Albany, approximately 50 miles to the southeast.

The District is essentially a rural area, with many of its residents commuting to Amsterdam, Schenectady and Albany for employment. Due to its location near the Great Sacandaga Lake, summer employment and extensive recreational opportunities are available.

Water is provided to Village of Northville residents by the Village, while outlying areas use private wells. All sewer is by private septic systems. Electricity is provided by National Grid; telephone service by Frontier. Police protection is provided on a part-time basis by the Village of Northville, supplemented by 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 Pre-K-12. Opportunities for higher education include the Fulton-Montgomery Community College and the many colleges and universities in and around the Albany area.

District residents find commercial and financial services in the Village of Northville, as well as in nearby Amsterdam, Johnstown and Gloversville.

Population

The current estimated population of the District is 2,874. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Type</u> | Employees |
|-----------------------|---|
| Public Education | 106 |
| Environmental Control | 24 |
| Municipal Government | 22 |
| Grocery Store | 18 |
| Hardware Store | 15 |
| | Public Education Environmental Control Municipal Government Grocery Store |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|--|-----------------|----------------|
| State of New York | State Land | \$113,108,421 |
| Hudson River/Black River Regulating District | Water Authority | 34,739,071 |
| National Grid | Utility | 6,468,237 |
| Chrisac Corporation | Residential | 1,647,727 |
| Jeffrey Horowitz | Residential | 1,581,212 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 31.37% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) are Fulton, Hamilton and Saratoga Counties.

Year Average

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | |
|-----------------|-------------|-------------|-------------|-------------|-------------|--|
| Fulton County | 9.4% | 7.6% | 6.4% | 5.7% | 5.8% | |
| Hamilton County | 9.5 | 7.4 | 6.7 | 6.5 | 7.6 | |
| Saratoga County | 5.8 | 4.6 | 4.1 | 3.8 | 4.0 | |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.6 | |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|----------|----------------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| Pre-K-12 | 477 | 504 | 499 | 500 | 502 | 500 | 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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|----------------------------------|------------------------------------|
| 50 | Northville Teachers' Association | June 30, 2019 |
| 45 | Northville Support Staff | June 30, 2019 |

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$522,151,407 52,215,140 |
|---|-----------------------------|
| Gross Indebtedness ⁽²⁾ | \$6,415,975 <u>0</u> |
| Total Net Indebtedness | \$6,415,975 |
| Net Debt Contracting Margin | \$45,799,165 12.29% |

- (1) The District has not incurred any indebtedness since the date of this table.
- 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 \$6,670,000 School District Bonds to DASNY in connection with the refunding of \$3,700,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- 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 2016 fiscal year of the respective municipalities.

| | Outstanding | | Net | % Within | Applicable Net |
|--------------|-----------------------------|----------------|---------------------|-----------------|---------------------|
| <u>Unit</u> | Indebtedness ⁽¹⁾ | Exclusions (2) | Indebtedness | District | Indebtedness |
| Counties of: | | | | | |
| Fulton | \$1,339,189 | \$0 | \$1,339,189 | 11.13% | \$149,052 |
| Hamilton | 0 | 0 | 0 | 4.71 | 0 |
| Saratoga | 60,630,000 | 0 | 60,630,000 | 0.01 | 6,063 |
| Towns of: | | | | | |
| Benson | 0 | 0 | 0 | 100.00 | 0 |
| Bleecker | 0 | 0 | 0 | 2.41 | 0 |
| Edinburg | 0 | 0 | 0 | 0.16 | 0 |
| Hope | 0 | 0 | 0 | 54.03 | 0 |
| Mayfield | 0 | 0 | 0 | 2.01 | 0 |
| Northampton | 277,263 | 0 | 277,263 | 98.36 | 272,716 |
| Village of: | | | | | |
| Northville | 12,587 | 0 | 12,587 | 100.00 | 12,587 |
| | | | | Total | \$440,418 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | | Per | Percentage of Full |
|--|---------------|-----------------------|-----------------------|
| | Amount | Capita ⁽²⁾ | Value ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ | \$6,415,975 | \$2,232.42 | 1.23% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 6,856,393 | 2,385.66 | 1.31 |

- (1) The District has not incurred any indebtedness since the date of the above table.
- Based on the District's current estimated population of 2,874.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$522,151,407.
- The District expects to deliver \$6,670,000 School District Bonds to DASNY in connection with the refunding of \$3,700,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District issued \$925,000 of Revenue Anticipation Notes in the 2017-18 fiscal year. This Note was paid in full on September 28, 2017. The District has not issued any such notes since that time, and does not expect to issue any such notes for the remainder of the current fiscal year.

Capital Project Plans

On May 15, 2018, the District voters will consider a proposition for the acquisition of school buses at an estimated cost of \$54,785. If approved by the voters, the District may obtain financing for the buses in July of 2018.

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.

Northville Central School District

https://emma.msrb.org/ES1078951-ES842712-ES1243742.pdf

Base CUSIP: 667252

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, after which no payments are accepted. On November 15th, a list of all unpaid taxes is given to the County Treasurers for relevy on the County/Town tax rolls. The District is reimbursed by the Counties for all unpaid taxes during 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------------------|---------------|---------------|---------------|---------------|-----------------|
| Towns of: | | | | | |
| Benson | \$113,117,009 | \$113,110,713 | \$113,129,617 | \$112,989,509 | \$113,038,765 |
| Bleecker | 2,101,321 | 2,198,037 | 2,197,049 | 2,245,721 | 2,342,602 |
| Edinburg | 196,900 | 196,900 | 196,900 | 196,900 | $307,700^{(1)}$ |
| Hope | 36,302,570 | 36,957,006 | 37,261,032 | 37,340,686 | 37,444,952 |
| Mayfield | 6,312,130 | 6,328,182 | 6,298,612 | 6,332,739 | 6,328,645 |
| Northampton | 224,779,705 | 225,589,252 | 226,349,670 | 227,970,661 | 229,760,331 |
| Total Assessed Valuation | \$382,809,635 | \$384,380,090 | \$385,432,880 | \$387,076,216 | \$389,222,995 |

⁽¹⁾ Increase in assessed value due to a parcel of land being subdivided into five lots.

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Benson | 93.00% | 93.00% | 93.00% | 93.00% | 93.00% |
| Bleecker | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Edinburg | 56.00 | 57.00 | 56.00 | 56.00 | 54.00 |
| Норе | 93.00 | 93.00 | 93.00 | 93.00 | 93.00 |
| Mayfield | 75.00 | 71.00 | 71.00 | 71.00 | 68.00 |
| Northampton | 68.00 | 70.00 | 70.00 | 71.00 | 66.00 |
| Taxable Full | | | | | |
| Valuation | \$502,093,703 | \$495,089,905 | \$496,486,985 | \$494,247,486 | \$522,151,410 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$5,756,437 | \$5,976,731 | \$6,095,381 | \$6,199,509 | \$6,318,076 |
| % Uncollected When Due ⁽¹⁾ | 27.99% | 35.95% | 35.00% | 27.81% | 32.90% |

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

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid⁽¹⁾</u> | Total <u>Revenues</u> (1) | Revenues Consisting of State Aid(1) |
|----------------------|---|------------------------------|-------------------------------------|
| 2013-2014 | \$3,374,212 | \$9,552,179 | 35.32% |
| 2014-2015 | 3,570,273 | 9,992,524 | 35.73 |
| 2015-2016 | 3,719,966 | 10,215,237 | 36.42 |
| 2016-2017 | 3,591,794 | 10,289,775 | 34.91 |
| 2017-2018 (Budgeted) | 3,818,176 | 10,677,473 | 35.76 |
| 2018-2019 (Proposed) | 3,879,431 | 11,000,406 | 35.27 |

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2013-2014 | \$154,983 | \$480,469 |
| 2014-2015 | 131,714 | 563,554 |
| 2015-2016 | 118,141 | 442,740 |
| 2016-2017 | 140,744 | 410,543 |
| 2017-2018 (Budgeted) | 185,000 | 426,000 |
| 2018-2019 (Proposed) | 206,654 | 438,100 |
| | | |

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

GASB and OPEB

The District contracted with Korn Ferry Hay Group via Capital Region BOCES to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of July 1, 2016, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$15,249,219. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$15,249,219. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$7,141,441. The District's annual OPEB expense was \$1,260,280 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$699,741 to the Plan for the fiscal year ending June 30, 2017 to 104 employees, resulting in a net increase to its unfunded OPEB obligation of \$560,539, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$7,701,980. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$930,927 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$441,199 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$340,615 | - | \$340,615 |
| 2018-2019 | 359,922 | \$488,948 | 848,870 |
| 2019-2020 | 341,244 | 847,406 | 1,188,650 |
| 2020-2021 | 333,257 | 650,006 | 983,263 |
| 2021-2022 | 340,226 | 654,606 | 994,832 |
| 2022-2023 | 306,788 | 653,406 | 960,194 |
| 2023-2024 | 308,838 | 651,606 | 960,444 |
| 2024-2025 | 310,588 | 649,856 | 960,444 |
| 2025-2026 | 306,681 | 567,106 | 873,787 |
| 2026-2027 | 222,256 | 567,356 | 789,612 |
| 2027-2028 | - | 566,606 | 566,606 |
| 2028-2029 | - | 564,856 | 564,856 |
| 2029-2030 | - | 567,106 | 567,106 |
| 2030-2031 | - | 562,906 | 562,906 |
| 2031-2032 | - | 563,106 | 563,106 |
| 2032-2033 | - | 567,506 | 567,506 |
| 2033-2034 | - | 180,906 | 180,906 |
| | | | |

⁽¹⁾ Schedule does not include remaining payments of \$1,980,260 due under an energy performance contract.

APPENDIX C-37 DESCRIPTION OF NORWOOD-NORFOLK CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-37 a brief description of the Norwood-Norfolk 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 approximate land area of 82 square miles, is located in Upstate New York in the County of St. Lawrence in the western sector of the Adirondack Mountains.

The District is bisected by U.S. Route #56 and is adjacent to the Village of Potsdam. The Town of Massena is approximately 15 miles to the north of NYS Route #37 and the City of Ogdensburg is approximately 20 miles to the west.

Clarkson University and State University College at Potsdam are located in Potsdam, and St. Lawrence University and State University of New York Agricultural and Technical College are both in Canton, which is within 15 miles of the District.

The District is primarily agricultural with products which include dairy, hay, cattle and timber. Many of the residents are employed in industries and universities located in and around Canton, Potsdam, and Massena. This area of the State is known for its large dairy farms and dairy products. St. Lawrence County ranks fourteenth in the nation's counties in the value of dairy products sold, and has more milk cows and cattle than any other county in the State. Maple syrup is a product of the area. The largest talc mines in the world and the largest zinc mines in North America are located in St. Lawrence County.

Population

The current estimated population of the District is 6,539. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | Type | Employees |
|---|----------------|------------------|
| Norwood-Norfolk Central School District | Education | 183 |
| BOCES Seaway Area Technical Center | Education | 98 |
| APC Paper Group | Manufacturing | 56 |
| Potter's Industries Inc. | Manufacturing | 32 |
| Merriman's | Retail/Service | 30 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|---------------------------------------|---------------|----------------|
| Erie Boulevard Hydropower Corporation | Utility | \$10,299,597 |
| National Grid | Utility | 9,338,689 |
| CSX Transportation | Commercial | 6,584,466 |
| St. Lawrence Gas | Utility | 2,647,917 |
| New York State Reforestation | Reforestation | 1,434,539 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 13.88% 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 St. Lawrence County.

| Year | Average |
|------|---------|
|------|---------|

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------|-------------|-------------|-------------|-------------|-------------|
| St. Lawrence County | 9.1% | 7.7% | 7.3% | 6.6% | 6.7% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 1,022 | 1,024 | 1,006 | 988 | 988 | 1,001 | 1,001 |

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.

| Number of | | Contract |
|------------------|----------------------------|-----------------|
| Employees | Bargaining Unit | Expiration Date |
| 94.5 | NYSUT | June 30, 2020 |
| 79 | CSEA | June 30, 2020 |
| 4 | Administration Association | June 30, 2020 |

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018 (1)

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$253,642,796 25,364,280 |
|---|-----------------------------|
| Gross Indebtedness ⁽²⁾ | \$19,118,000 0 |
| Total Net Indebtedness | \$19,118,000 |
| Net Debt Contracting Margin | \$6,246,280 75,37% |

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

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding Indebtedness ⁽¹⁾ | Exclusions(2) | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|--------------|--|---------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| St. Lawrence | \$39,775,000 | \$9,500,000 | \$30,275,000 | 4.52% | \$1,368,430 |
| Town of: | | | | | |
| Louisville | 12,711,302 | 11,724,257 | 987,045 | 0.20 | 1,974 |
| Madrid | 2,211,715 | 2,155,715 | 56,000 | 11.81 | 6,614 |
| Norfolk | 8,401,174 | 3,143,744 | 5,257,430 | 74.74 | 3,929,403 |
| Potsdam | 431,401 | 261,973 | 169,428 | 17.44 | 29,548 |
| Stockholm | 90,000 | 0 | 90,000 | 10.58 | 9,522 |
| Village of | | | | | |
| Norwood | 3,105,047 | 2,625,337 | 479,710 | 100.00 | 479,710 |
| | | | | Total | \$5,825,201 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

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 \$9,685,000 School District Bonds to DASNY in connection with the refunding of \$11,865,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.

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.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | | Per | Percentage of Full |
|--|---------------|-----------------------------|----------------------------|
| | <u>Amount</u> | <u>Capita⁽²⁾</u> | <u>Value⁽³⁾</u> |
| Gross Indebtedness ⁽⁴⁾ | \$19,118,000 | \$2,923.69 | 7.54% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 24,943,201 | 3,814.53 | 9.83 |

- (1) The District has not incurred any indebtedness since the date of the above table.
- Based on the District's current estimated population of 6,539.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$253,642,796.
- (4) The District expects to deliver \$9,685,000 School District Bonds to DASNY in connection with the refunding of \$11,865,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.

Cash Flow Borrowing

The District, historically, does not issue Tax Anticipation Notes. The District has not issued Revenue Anticipation Notes for the last seven fiscal years and does not expect to issue such notes in the current fiscal year.

Capital Project Plans

The District typically issues serial bonds annually for the purchase of buses. On May 15, 2018, the qualified voters of the District will be asked to vote on a proposition for \$251,000 for the purchase of 3 buses.

Other than as stated above and the issuance of the School District Bonds, the District has no other authorized and or 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.

Norwood-Norfolk Central School District http://emma.msrb.org/ER1106486-ER865352-ER1266043.pdf Base CUSIP: 669623

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 St. Lawrence for collection. The District receives this amount from said County prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

Assessed Valuation Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Louisville | \$315,541 | \$314,616 | \$310,757 | \$310,692 | \$310,605 |
| Madrid | 8,182,264 | 8,395,542 | 8,473,238 | 8,603,302 | 8,494,173 |
| Norfolk | 104,145,837 | 104,772,521 | 105,046,042 | 106,178,791 | 105,517,206 |
| Potsdam | 95,799,981 | 95,729,650 | 96,854,512 | 99,161,137 | 99,383,951 |
| Stockholm | 13,023,843 | 15,251,386 | 15,287,717 | 15,286,938 | 15,318,590 |
| Total Assessed Valuation | \$221,467,466 | \$224,463,715 | \$225,972,266 | \$229,540,860 | \$229,024,525 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Louisville | 97.00% | 96.00% | 91.00% | 88.00% | 89.00% |
| Madrid | 100.00 | 92.00 | 87.50 | 87.00 | 90.00 |
| Norfolk | 82.00 | 82.00 | 82.00 | 82.00 | 82.00 |
| Potsdam | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Stockholm | 92.00 | 100.00 | 100.00 | 100.00 | 97.00 |
| Taxable Full | | | | | |
| Valuation | \$245,471,014 | \$248,205,717 | \$250,272,350 | \$254,176,317 | \$253,642,796 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$6,117,452 | \$6,147,360 | \$6,263,857 | \$6,389,134 | \$6,389,134 |
| % Uncollected When Due ⁽¹⁾ | 12.30% | 12.40% | 12.76% | 12.52% | 10.88% |

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

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> (1) | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of State Aid(1) |
|----------------------|-------------------------------|------------------------------|---|
| 2013-2014 | \$13,331,462 | \$19,855,663 | 67.14% |
| 2014-2015 | 13,139,831 | 19,692,727 | 66.72 |
| 2015-2016 | 13,534,978 | 20,291,261 | 66.70 |
| 2016-2017 | 14,479,258 | 21,365,531 | 67.77 |
| 2017-2018 (Budgeted) | 15,120,083 | 21,833,323 | 69.25 |
| 2018-2019 (Proposed) | 15,728,566 | 22,622,896 | 69.52 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year, and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2013-2014 | \$377,716 | \$863,050 |
| 2014-2015 | 355,234 | 932,444 |
| 2015-2016 | 343,239 | 865,564 |
| 2016-2017 | 283,827 | 700,452 |
| 2017-2018 (Budgeted) | 342,154 | 641,962 |
| 2018-2019 (Proposed) | 334,044 | 699,188 |

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

GASB and **OPEB**

The District contracted with Armory Associates to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2017, 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 \$76,316,320. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$76,316,320. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$33,520,201. The District's annual OPEB expense was \$6,709,280 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$2,376,249 to the Plan for the fiscal year ending June 30, 2017 to 317 employees, resulting in a net increase to its unfunded OPEB obligation of \$4,333,031, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$37,853,232. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$597,457 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$5,866,480 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$1,045,218 | - | \$1,045,218 |
| 2018-2019 | 1,047,443 | \$1,052,596 | 2,100,039 |
| 2019-2020 | 1,000,159 | 1,048,500 | 2,048,659 |
| 2020-2021 | 1,377,510 | 1,024,250 | 2,401,760 |
| 2021-2022 | 1,296,272 | 1,009,750 | 2,306,022 |
| 2022-2023 | 1,249,200 | 984,500 | 2,233,700 |
| 2023-2024 | 1,187,775 | 984,000 | 2,171,775 |
| 2024-2025 | 635,050 | 987,000 | 1,622,050 |
| 2025-2026 | 117,875 | 983,250 | 1,101,125 |
| 2026-2027 | 119,025 | 983,000 | 1,102,025 |
| 2027-2028 | - | 981,000 | 981,000 |
| 2028-2029 | - | 977,250 | 977,250 |
| 2029-2030 | - | 986,750 | 986,750 |
| 2030-2031 | - | 983,750 | 983,750 |
| 2031-2032 | - | 813,750 | 813,750 |

Historical Disclosure Compliance

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

• The District failed to timely file notice of an enhanced rating change as well as notice of its failure to file such event information. On December 14, 2017, Moody's Investors Services ("Moody's") upgraded the enhanced rating of the District from "A1" to "Aa3". The underlying rating of the District has not been impacted by this rating change. A material event notice disclosing the rating change and the failure to file event information was posted to the Electronic Municipal Market (EMMA) website on March 5, 2018.

The information contained under this subheading "Historical Disclosure Compliance" does not constitute operating data and annual financial information for purposes of DASNY's continuing disclosure agreement.

APPENDIX C-38 DESCRIPTION OF OAKFIELD-ALABAMA CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-38 a brief description of the Oakfield-Alabama 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, founded in 1892, is located in the Towns of Oakfield, Alabama, Batavia, Pembroke and Elba in Genesee County and the Town of Barre in Orleans County. The District covers approximately 72 square miles.

The District is primarily rural in nature, but only a small percentage of its residents are employed in agriculture. Most residents commute to Batavia, Rochester and Buffalo for employment. Highway facilities include the New York State Thruway (190), State Routes #63, #77 and #262 and numerous county roads. Rail and air travel are available in Rochester and Buffalo.

Private wells, septic systems and varying municipal system provide water and sewer services. Electricity is provided by National Grid, natural gas through National Fuel Gas and Verizon New York Inc. provides telephone service. Police protection is provided by the Genesee County Sheriff's Department and supplemented by the New York State Police. Various volunteer organizations in the area provide ambulance service and fire protection.

The District provides public education for grades Pre-K - 12, a small portion of the school age students attend local parochial schools. Higher educational opportunities are available at nearby Genesee Community College and at the many colleges and universities in the Rochester and Buffalo areas.

Population

The current estimated population of the District is 5,459 (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | Type | Employees |
|--------------------------------|-----------------------|------------------|
| Darien Lake Theme Park | Recreation (Seasonal) | 2,000 (Seasonal) |
| Genesee County Government | Government | 750 |
| United Memorial Medical Center | Hospital | 706 |
| Genesee Valley BOCES | Education | 540 |
| Genesee Community College | Education | 511 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|------------------------------|------------------|----------------|
| Empire State Pipeline Co. | Gas Transmission | \$15,597,793 |
| Oakfield-Alabama Realty, LLC | Realtor | 13,919,100 |
| National Grid | Utility | 8,911,633 |
| Call Farms, Inc. | Agriculture | 6,580,420 |
| US Gypsum Co | Manufacturer | 6,287,678 |

The total estimated full valuation of the top ten (10) taxpayers represents approximately 22.92% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) are Genesee and Orleans Counties (the "Counties").

| Year Av | erage |
|---------|-------|
|---------|-------|

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|
| Genesee County | 6.8% | 5.5% | 5.0% | 4.6% | 4.9% |
| Orleans County | 9.1 | 7.6 | 6.4 | 5.7 | 5.9 |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.6 |

Enrollment

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

| | 2013-14 | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|---------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 883 | 901 | 871 | 846 | 821 | 845 | 850 |

District Employees

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

| Number of Employees | Bargaining Unit | Contract Expiration Date |
|------------------------|--|-----------------------------|
| 97 | Oakfield-Alabama Teachers' Association | June 30, 2019 |
| 71 | CSEA | June 30, 2018 (1) |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property | \$235,018,405 23,501,841 |
|---|-----------------------------|
| Gross Indebtedness ⁽²⁾ | \$20,260,775 0 |
| Total Net Indebtedness | \$20,260,775 |
| Net Debt Contracting Margin Percentage of Debt Contracting Power Exhausted | \$3,241,066 86.21% |

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

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 2016 fiscal year of the respective municipalities.

| | Outstanding | | Net | % Within | Applicable Net |
|-------------|-----------------------------|----------------|---------------------|-----------------|---------------------|
| <u>Unit</u> | Indebtedness ⁽¹⁾ | Exclusions (2) | Indebtedness | District | Indebtedness |
| County of: | | | | | |
| Genesee | \$21,365,000 | \$0 | \$21,365,000 | 8.40% | \$1,794,660 |
| Orleans | 12,951,040 | 0 | 12,951,040 | 0.20 | 25,902 |
| Town of: | | | | | |
| Alabama | 0 | 0 | 0 | 94.70 | 0 |
| Barre | 2,838,000 | 2,838,000 | 0 | 3.47 | 0 |
| Batavia | 10,662,290 | 6,620,491 | 4,041,799 | 7.59 | 306,773 |
| Elba | 1,720,791 | 1,720,791 | 0 | 0.96 | 0 |
| Oakfield | 8,032,136 | 5,420,248 | 2,611,888 | 100.00 | 2,611,888 |
| Pembroke | 2,500,500 | 0 | 2,500,500 | 0.49 | 12,252 |
| Village of: | | | | | |
| Oakfield | 5,926,648 | 3,835,000 | 2,091,648 | 100.00 | 2,091,648 |
| | | | | Total | \$6,843,123 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$13,430,000 School District Bonds to DASNY in connection with the refunding of \$15,660,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.

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.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | | Per | Percentage of Full |
|--|---------------|-----------------------|----------------------------|
| | <u>Amount</u> | Capita ⁽²⁾ | <u>Value⁽³⁾</u> |
| Gross Indebtedness ⁽⁴⁾ | \$20,260,775 | \$3,711.44 | 8.62% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 27,104,671 | 4,965.13 | 11.53 |

- (1) The District has not incurred any indebtedness since the date of the above table.
- Based on the District's current estimated population of 5,459.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$235,018,405.
- (4) The District expects to deliver \$13,430,000 School District Bonds to DASNY in connection with the refunding of \$15,660,000 of the District's outstanding bond anticipation notes. 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, 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, the District will be putting a proposition before voters on May 15, 2018 authorizing the purchase and financing of school buses in an amount not to exceed \$255,000. If approved, the District anticipates borrowing for such buses in August 2018.

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.

Oakfield-Alabama Central School District http://emma.msrb.org/ES1066446-ES832614-ES1233676.pdf Base CUSIP: 672138

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 21st, and a 3% penalty is charged from October 22nd to November 4th. On or about November 5th, uncollected taxes are returnable to the Counties for collection. The District receives this amount from the 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Alabama | \$77,892,580 | \$77,616,981 | \$81,157,195 | \$80,917,965 | \$81,216,842 |
| Barre | 2,971,790 | 3,170,167 | 3,263,075 | 3,296,872 | 3,360,377 |
| Batavia | 24,638,530 | 25,133,117 | 25,383,189 | 26,318,061 | 26,659,901 |
| Elba | 1,007,499 | 1,010,483 | 1,005,601 | 1,012,184 | 975,166 |
| Oakfield | 113,845,538 | 113,953,196 | 114,711,036 | 116,234,550 | 118,140,850 |
| Pembroke | 1,118,885 | 1,154,527 | 1,157,159 | 1,160,140 | 1,226,440 |
| Total Assessed Valuation | \$221,474,822 | \$222,038,471 | \$226,677,255 | \$228,939,772 | \$231,579,576 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Alabama | 97.00% | 97.00% | 100.00% | 99.00% | 96.00% |
| Barre | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Batavia | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Elba | 100.00 | 100.00 | 100.00 | 100.00 | 94.68 |
| Oakfield | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Pembroke | 100.00 | 100.00 | 100.00 | 97.00 | 100.00 |
| Taxable Full | | | | | |
| Valuation | \$223,883,871 | \$224,438,996 | \$226,677,255 | \$229,793,006 | \$235,018,405 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$5,026,691 | \$5,134,765 | \$5,208,545 | \$5,139,816 | \$5,208,545 |
| % Uncollected When Due ⁽¹⁾ | 6.35% | 4.10% | 4.17% | 5.12% | 4.23% |

⁽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 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> (1) | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|-------------------------------|------------------------------|--|
| 2013-2014 | \$10,695,272 | \$16,594,475 | 64.45% |
| 2014-2015 | 10,965,161 | 16,989,057 | 64.54 |
| 2015-2016 | 11,193,279 | 17,291,824 | 64.73 |
| 2016-2017 | 12,496,741 | 18,735,668 | 66.70 |
| 2017-2018 (Budgeted) | 13,041,862 | 19,045,102 | 68.48 |
| 2018-2019 (Proposed) | 13,120,926 | 20,250,350 | 64.79 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|-------------|
| 2013-2014 | \$339,644 | \$1,043,165 |
| 2014-2015 | 289,036 | 1,129,765 |
| 2015-2016 | 288,898 | 872,110 |
| 2016-2017 | 270,521 | 864,645 |
| 2017-2018 (Budgeted) | 310,192 | 695,365 |
| 2018-2019 (Proposed) | 289,357 | 804,488 |

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

GASB and OPEB

The District contracted with Questar III to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2017, 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 \$5,117,407. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$5,117,407. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$1,056,692. The District's annual OPEB expense was \$494,830 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$297,730 to the Plan for the fiscal year ending June 30, 2017 to 139 employees, resulting in a net increase to its unfunded OPEB obligation of \$197,100, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$1,253,792. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$1,017,903 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$800,004 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$708,500 | - | \$708,500 |
| 2018-2019 | 712,600 | \$1,409,142 | 2,121,742 |
| 2019-2020 | 708,650 | 1,410,250 | 2,118,900 |
| 2020-2021 | 703,700 | 1,412,000 | 2,115,700 |
| 2021-2022 | 707,850 | 1,411,750 | 2,119,600 |
| 2022-2023 | 500,700 | 1,414,500 | 1,915,200 |
| 2023-2024 | 498,450 | 1,410,000 | 1,908,450 |
| 2024-2025 | 250,800 | 1,413,500 | 1,664,300 |
| 2025-2026 | - | 1,414,500 | 1,414,500 |
| 2026-2027 | - | 1,418,000 | 1,418,000 |
| 2027-2028 | - | 1,408,750 | 1,408,750 |
| 2028-2029 | - | 1,417,250 | 1,417,250 |
| 2029-2030 | = | 1,412,500 | 1,412,500 |
| 2030-2031 | = | 1,415,000 | 1,415,000 |
| 2031-2032 | - | 719,250 | 719,250 |

APPENDIX C-39 DESCRIPTION OF CITY SCHOOL DISTRICT OF THE CITY OF ONEIDA

There follows in this Appendix C-39 a brief description of the City School District of the City of Oneida (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 23.4 square miles is located in upstate New York, in the Counties of Madison and Oneida, and centers around the City of Oneida. The City of Syracuse is located 25 miles to the west and the City of Utica 20 miles to the east. The School District includes the entire City of Oneida as well as portions of the Towns of Lenox and Lincoln in Madison County, and the entire Village of Sylvan Beach and portions of the City of Sherrill and the Towns of Vernon, Verona and Vienna in Oneida County.

Major highways serving the District include Interstate #90 as well as NYS Routes #5, #46 and #31. Air transportation is available from the Oneida County Airport and the Syracuse Hancock International Airport.

Higher educational opportunities are available at nearby Hamilton College, Utica College, Colgate University, and Syracuse University. Sylvan and Verona Beaches are located in the northern part of the merged School District on the eastern shore of Oneida Lake.

The majority of residents are engaged in industry, commerce and professions in the City of Oneida as well as the Syracuse, Rome and Utica metropolitan areas. The Turning Stone Casino was constructed in the fall of 1993 just north of the School District. The facility is operated by the Oneida Indian Nation of New York and employs 4,646 people. A hotel is connected to the Casino and two PGA-tour quality eighteen-hole golf courses and a nine hole executive course are on land adjacent to the Casino. Recently, the Oneida Indian Nation announced plans to build a retail outlet mall near the site of the Casino which would house more than 60 high-end stores and bring 1,100 new jobs to the area.

A community revitalization project was completed in 2016 in which a burned down commercial property was replaced with a \$10.2 million affordable housing project. This project will help alleviate displaced homeowners from a flood in 2013 and offers one to three bedroom apartments with monthly rents ranging from \$580 to \$770.

Population

The current estimated population of the District is 15,179. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|-----------------------------|-----------------------|------------------|
| Oneida Indian Nation | Casino/Business | 4,646 |
| Mohawk Valley Health System | Healthcare / Hospital | 4,024 |
| Colgate University | Education | 930 |
| ConMed | Medical-technology | 800 |
| Hamilton College | Education | 675 |

Five Largest Taxpayers

| <u>Name</u> | Type | Assessed Valuation |
|-----------------------------|-----------------|---------------------------|
| Oneida Indian Nation | Government | \$22,542,216 (1) |
| National Grid | Utility | 20,450,513 |
| H.P. Hood | Manufacturing | 14,021,000 |
| Wal-Mart | Retail | 9,500,000 |
| Oneida Glenwood Association | Shopping Center | 8,811,475 |

The total estimated assessed valuation of the top ten (10) taxpayers represents approximately 15.7% of the tax base of the District.

(1) The Oneida Indian Nation settlement with the State, Madison County and Oneida County removed approximately 3.5% of taxable property from the District's taxable assessed value beginning with the 2014-15 fiscal year. The District experienced a nominal increase in property tax rates as a result of this agreement. The District received a one-time payment from Madison County resulting from the settlement, but Madison County has declined to share future settlement monies with the District. The District has an agreement with Oneida County to have them reimburse the District annually a base level of property tax from Oneida Indian Nation exempt property, adjusted up or down based on the County's specified gaming receipts.

Unemployment Rate Statistics

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

| Year A | Average |
|--------|---------|
|--------|---------|

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|
| Madison County | 7.6% | 6.4% | 5.7% | 5.3% | 5.6% |
| Oneida County | 7.4 | 6.1 | 5.3 | 4.8 | 5.1 |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | 2013-14 | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|---------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 2,244 | 2,215 | 2,166 | 2,157 | 2,155 | 2,138 | 2,123 |

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|---|---------------------------------|
| 186 | Oneida Teachers' Association (NYSUT) | June 30, 2018 ⁽¹⁾ |
| 91 | Oneida Support Staff (NYSUT) | June 30, 2019 |
| 10 | Oneida Principals / Psychologists (School Administrators) | June 30, 2019 |
| 13 | Oneida Confidential/Supervisors/Maintenance | June 30, 2018 ⁽¹⁾ |
| 34 | Oneida Bus Drivers / Transportation | June 30, 2018 ⁽¹⁾ |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| | Based on Conventional Equalization <u>Rates</u> | Based On Special Equalization <u>Ratios</u> |
|---|--|--|
| Five Year Average Full Valuation of Taxable Real Property Debt Limit (5% of full valuation) ⁽²⁾ | \$718,708,349 \$35,935,417 | \$717,866,780 \$35,893,339 |
| Outstanding Indebtedness ⁽³⁾ Inclusions Bonds Bond Anticipation Notes Total Inclusions | \$21,330,000 <u>4,000,000</u> \$25,330,000 | \$21,330,000 4,000,000 \$25,330,000 |
| Exclusions Bonds Previously Refunded Appropriations Total Exclusions | \$3,730,000 1,010,000 \$4,740,000 | \$3,730,000 1,010,000 \$4,740,000 |
| Total Net Indebtedness | \$20,590,000 | \$20,590,000 |
| Net Debt Contracting Margin | \$15,345,417 | \$15,303,339 |
| Percentage of Debt Contracting Power Exhausted | 57.30% | 57.36% |

- (1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$6,485,000 School District Bonds to DASNY in connection with the refunding of \$4,000,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- (2) The District's constitutional debt limit has been computed using special equalization ratios established by the State Office of Real Property Tax Services pursuant to Art-12-B of the Real Property Tax Law. "Conventional" State equalization rates are also established by the State Board, and are used for all other purposes.
- (3) Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the constitutional debt limit of the District.

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding Indebtedness ⁽¹⁾ | Exclusions ⁽²⁾ | Net <u>Indebtedness</u> | % Within District | Applicable Net Indebtedness |
|---------------|--|---------------------------|----------------------------|----------------------|-----------------------------------|
| · | <u>macbicaness</u> | Exclusions | <u> macbicaness</u> | District | <u>mucbteuness</u> |
| Counties of: | | | | | |
| Madison | \$22,212,288 | \$2,710,351 | \$19,501,937 | 12.20% | \$2,379,236 |
| Oneida | 188,926,689 | 44,384,844 | 144,541,845 | 2.06 | 2,977,562 |
| Towns of: | | | | | |
| Lenox | 4,374,708 | 4,243,900 | 130,808 | 8.13 | 10,635 |
| Lincoln | 15,324 | 15,324 | 0 | 17.15 | 0 |
| Vernon | 0 | 0 | 0 | 15.70 | 0 |
| Verona | 5,520,651 | 5,217,651 | 303,000 | 31.13 | 94,324 |
| Vienna | 3,622,315 | 3,622,315 | 0 | 13.20 | 0 |
| Villages of : | | | | | |
| Oneida Castle | 0 | 0 | 0 | 100.00 | 0 |
| Sylvan Beach | 7,728,773 | 7,587,252 | 141,521 | 100.00 | 141,521 |
| Wampsville | 88,000 | 88,000 | 0 | 100.00 | 0 |
| Cities of: | | | | | |
| Oneida | 13,288,581 | 2,933,786 | 10,354,795 | 93.39 | 9,670,343 |
| Sherrill | 1,812,500 | 0 | 1,812,500 | 0.56 | 10,150 |
| | | | . , | Total | \$15,283,771 |

⁽¹⁾ Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | | Per | Percentage of Full |
|--|---------------|-----------------------|-----------------------|
| | Amount | Capita ⁽²⁾ | Value ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ | \$25,330,000 | \$1,668.75 | 3.53% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 40,613,771 | 2,675,66 | 5.65 |

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

⁽²⁾ Sewer and water debt.

Based on the District's current estimated population of 15,179

Based on the District's full value of taxable real estate using the special State equalization rates for 2017-2018 of \$718,477,497.

The District expects to deliver \$6,485,000 School District Bonds to DASNY in connection with the refunding of \$4,000,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

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

Capital Project Plans

On May 15, 2018, the District will present a proposition to voters authorizing the levy of a necessary tax in the amount of \$108,000 for the leasing of five seventy seat passenger school buses.

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

FINANCIAL FACTORS

General Information

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

City School District of the City of Oneida https://emma.msrb.org/ER1106482-ER865349-ER1266040.pdf Base CUSIP: 682556

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

Real Estate Property Tax Collection Procedure

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

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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| City of: | | | | | |
| Oneida | \$467,891,990 | \$447,096,312 | \$445,878,018 | \$439,396,174 | \$441,825,537 |
| Sherrill | 707,000 | 707,000 | 707,332 | 707,323 | 771,732 |
| Towns of: | | | | | |
| Lenox | 35,536,638 | 35,442,514 | 35,399,754 | 35,813,498 | 35,911,689 |
| Lincoln | 16,565,636 | 16,773,868 | 16,688,343 | 17,012,343 | 17,280,866 |
| Vernon | 51,220,615 | 50,598,868 | 50,640,064 | 51,152,539 | 51,135,263 |
| Verona | 76,842,960 | 75,161,932 | 75,370,637 | 75,589,242 | 76,018,752 |
| Vienna | 28,579,089 | 28,206,924 | 28,716,527 | 28,816,551 | 29,754,290 |
| Total Assessed Valuation | \$677,343,928 | \$653,987,418 | \$653,400,675 | \$648,487,671 | \$652,698,129 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|---------------|---------------|---------------|---------------|
| City of: | | | | | |
| Oneida | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Sherrill | 75.00 | 75.00 | 74.00 | 73.50 | 73.50 |
| Towns of: | | | | | |
| Lenox | 100.00 | 100.00 | 99.00 | 100.00 | 100.00 |
| Lincoln | 100.00 | 100.00 | 99.00 | 100.00 | 100.00 |
| Vernon | 75.00 | 75.00 | 71.50 | 73.50 | 73.50 |
| Verona | 80.00 | 78.00 | 74.00 | 74.00 | 72.00 |
| Vienna | 62.00 | 61.00 | 62.50 | 60.00 | 60.00 |
| Taxable Full | | | | | |
| Valuation | \$731,380,089 | \$710,322,828 | \$718,072,031 | \$712,954,861 | \$720,811,937 |

Special State Equalization Ratios Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|---------------|---------------|---------------|---------------|
| City of: | | | | | |
| Oneida | 101.09% | 102.19% | 102.26% | 100.74% | 101.04% |
| Sherrill | 71.90 | 73.55 | 73.92 | 73.50 | 73.16 |
| Towns of: | | | | | |
| Lenox | 99.40 | 100.38 | 100.18 | 99.55 | 98.93 |
| Lincoln | 99.40 | 100.38 | 100.18 | 99.55 | 98.93 |
| Vernon | 71.90 | 73.55 | 73.92 | 73.50 | 73.16 |
| Verona | 74.00 | 74.04 | 72.02 | 71.79 | 71.43 |
| Vienna | 62.53 | 59.90 | 59.96 | 56.69 | 59.44 |
| Taxable Full | | | | | |
| Valuation | \$737,032,171 | \$707,895,227 | \$710,027,031 | \$715,914,763 | \$718,477,497 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$15,676,766 | \$16,261,654 | \$16,478,579 | \$16,638,500 | \$17,030,860 |
| % Uncollected When Due ⁽¹⁾ | 7.4% | 7.6% | 7.7% | 6.4% | 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 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> (1) | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|-------------------------------|------------------------------|--|
| 2013-2014 | \$20,849,098 | \$37,832,078 | 55.11% |
| 2014-2015 | 21,903,225 | 39,714,597 | 55.15 |
| 2015-2016 | 22,528,851 | 40,389,186 | 55.78 |
| 2016-2017 | 23,403,659 | 41,270,850 | 56.71 |
| 2017-2018 (Budgeted) | 24,181,225 | 44,230,233 | 54.67 |
| 2018-2019 (Proposed) | 25,475,507 | 46,516,594 | 54.77 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|-------------|
| 2013-2014 | \$667,271 | \$2,203,791 |
| 2014-2015 | 553,430 | 2,409,444 |
| 2015-2016 | 487,386 | 1,844,421 |
| 2016-2017 | 502,224 | 1,618,348 |
| 2017-2018 (Budgeted) | 545,644 | 1,653,347 |
| 2018-2019 (Proposed) | 545,000 | 1,831,100 |

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

GASB and OPEB

The District contracted with Questar III to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2017, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$86,136,456. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$86,136,456. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$37,724,439. The District's annual OPEB expense was \$5,970,184 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$3,353,969 to the Plan for the fiscal year ending June 30, 2017 to 583 participants, resulting in a net increase to its unfunded OPEB obligation of \$2,616,215, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$40,340,654. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$739,756 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$3,459,648 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 Existing Debt <u>Year</u> <u>Service</u> | | New Debt <u>Service</u> | Total Debt <u>Service</u> | |
|---|-------------|----------------------------|------------------------------|--|
| 2017-2018 | \$2,942,665 | - | \$2,942,665 | |
| 2018-2019 | 3,167,634 | \$631,929 | 3,799,563 | |
| 2019-2020 | 2,753,994 | 634,000 | 3,387,994 | |
| 2020-2021 | 2,230,288 | 638,000 | 2,868,288 | |
| 2021-2022 | 2,227,213 | 631,000 | 2,858,213 | |
| 2022-2023 | 2,224,688 | 638,500 | 2,863,188 | |
| 2023-2024 | 2,222,788 | 634,750 | 2,857,538 | |
| 2024-2025 | 1,388,038 | 635,250 | 2,023,288 | |
| 2025-2026 | 532,288 | 634,750 | 1,167,038 | |
| 2026-2027 | 541,538 | 633,250 | 1,174,788 | |
| 2027-2028 | 548,188 | 630,750 | 1,178,938 | |
| 2028-2029 | 543,075 | 632,250 | 1,175,325 | |
| 2029-2030 | 547,638 | 632,500 | 1,180,138 | |
| 2030-2031 | 550,931 | 636,500 | 1,187,431 | |
| 2031-2032 | 548,550 | 634,000 | 1,182,550 | |
| 2032-2033 | - | 635,250 | 635,250 | |

⁽¹⁾ Schedule does not include remaining payments of \$766,163 due under an energy performance contract.

Historical Disclosure Compliance

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

• While the District filed it's 2012-2016 AFIOD within a timely manner, the District failed to include the table "BUILDING AID ESTIMATE" which was required to be included as part of disclosure undertakings for certain bonds issued on or after August 15, 2002 and maturing through June 15, 2032. These bonds have since matured, or were refunded and redeemed on or before June 15, 2015. The information provided in this table for the fiscal years 2012-2015 is currently unavailable, and is no longer required to be included for disclosure undertakings of the District beginning with fiscal year ending June 30, 2016. The District failed to provide notices of its Failure to Provide Event Filing Information as Required for the above described event. An event notice regarding the aforementioned was filed with EMMA on September 27, 2017.

The information contained under this subheading "Historical Disclosure Compliance" does not constitute operating data and annual financial information for purposes of DASNY's continuing disclosure agreement.

APPENDIX C-40 DESCRIPTION OF OXFORD ACADEMY AND CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-40 a brief description of the Oxford Academy and Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District is located in upstate New York in the County of Chenango and includes, wholly or partially, the Towns of Coventry, McDonough, Norwich, Oxford, Pharsalia, Preston and Smithville. It is approximately 8 miles southwest of the City of Norwich and 32 miles northeast of the City of Binghamton. The District encompasses an area of approximately 126 square miles.

Major highways bisecting the District include State highways #12 and #220. Air transportation is available to residents through airports located in Oneonta and Binghamton. Bus transportation is available through terminals in Oneonta and Sidney.

The District is primarily residential and agricultural in nature. Commercial and professional services, as well as employment opportunities, are available in the Village of Oxford, located within the School District. Such services and opportunities are also available in the City of Norwich.

Population

The current estimated population of the District is 5,153 (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|--|----------------------------------|------------------|
| New York State Veterans' Home at Oxford | Service | 395 |
| Oxford Academy and Central School District | Education | 181 |
| Blue Ox | Energy Product Sales and Service | 137 |
| Professional Teleconcepts | Service | 115 |
| Automecha Manufacturing | Manufacturing | 11 |

Five Largest Taxpayers

| <u>Name</u> | Type | Full Valuation |
|-------------------------------|-------------|----------------|
| State of New York | Forests | \$11,565,349 |
| New York State Electric & Gas | Utility | 4,784,907 |
| Frontier Communications | Utility | 2,293,242 |
| Marshman Farms | Agriculture | 966,500 |
| Lake Ludlow Club, Inc. | Commercial | 783,700 |

The total estimated full valuation of the top ten (10) taxpayers represents approximately 9.1% of the tax base of the District.

Unemployment Rate Statistics

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

Year Average

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------|-------------|-------------|-------------|-------------|-------------|
| Chenango County | 7.3% | 6.2% | 5.4% | 5.1% | 5.4% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 778 | 784 | 768 | 773 | 761 | 775 | 780 |

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|---|---------------------------------|
| 91 | Oxford Teachers' Association | June 30, 2018 (1) |
| 79 | Oxford Employees' Support Personnel Association | June 30, 2017 (1) |
| 4 | Oxford Administrators | June 30, 2020 |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property | \$247,296,362 24,729,636 |
|--|-----------------------------|
| Gross Indebtedness ⁽²⁾ | \$14,586,495 0 |
| Total Net Indebtedness | \$14,586,495 |
| Net Debt Contracting Margin | \$10,143,141 |
| Percentage of Debt Contracting Power Exhausted | 58.98% |

- (1) The District has not incurred any indebtedness since the date of this table.
- Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$2,035,000 School District Bonds to DASNY in connection with the refunding of \$1,061,495 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- 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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding Indebtedness ⁽¹⁾ | Exclusions(2) | Net <u>Indebtedness</u> | % Within District | Applicable Net Indebtedness |
|---------------|--|---------------|----------------------------|-------------------|-----------------------------------|
| · | | | | | |
| County of: | | | | | |
| Chenango | \$0 | \$0 | \$0 | 10.58% | \$0 |
| Towns of: | | | | | |
| Coventry | 0 | 0 | 0 | 1.83 | 0 |
| McDonough | 0 | 0 | 0 | 84.81 | 0 |
| Norwich | 234,500 | 0 | 234,500 | 3.36 | 7,879 |
| Oxford | 83,930 | 83,930 | 0 | 85.73 | 0 |
| Pharsalia | 0 | 0 | 0 | 0.94 | 0 |
| Preston | 0 | 0 | 0 | 64.64 | 0 |
| Smithville | 0 | 0 | 0 | 16.55 | 0 |
| Village of: | | | | | |
| Oxford | 3,112,052 | 2,325,904 | 786,148 | 100.00 | 786,148 |
| | | | | Total | \$794,027 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | <u>Amount</u> | Per <u>Capita⁽²⁾</u> | Percentage of Full <u>Value⁽³⁾</u> |
|--|---------------|------------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$14,586,495 | \$2,830.68 | 5.90% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 15,380,522 | 2,984.77 | 6.22 |

- (1) The District has not incurred any indebtedness since the date of the above table.
- Based on the District's current estimated population of 5,153.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$247,296,362.
- The District expects to deliver \$2,035,000 School District Bonds to DASNY in connection with the refunding of \$1,061,495 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District has not borrowed for cash flow purposes through the issuance of revenue anticipation notes and/or tax anticipation notes since the 2004 fiscal year. The District may issue approximately \$500,000 revenue anticipation notes in August 2018 due to the need to front-load premium for a new health insurance policy.

Capital Project Plans

The District plans to issue \$280,000 bonds in August 2018 for the purchase of buses.

The District will be undertaking a \$1,089,000 project under the SMART School Bond Act. The project will be reimbursable and will not be financed.

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.

Oxford Academy and Central School District https://emma.msrb.org/ER1106894-ER865613-ER1266300.pdf Base CUSIP: 69138S

On the most current applicable report of the State Comptroller the District is classified as "susceptible to fiscal stress."

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

Real Estate Property Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge during the month of September, but a 2% penalty is charged from October 1st to October 31st. On or about November 1st, uncollected taxes plus penalties are returnable to the County of Chenango. The School District receives this amount from the 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Coventry | \$1,713,690 | \$1,707,014 | \$1,699,538 | \$1,681,954 | \$1,682,064 |
| McDonough | 44,910,679 | 45,007,022 | 44,520,515 | 44,594,765 | 44,771,063 |
| Norwich | 3,444,131 | 3,605,649 | 3,468,224 | 3,564,510 | 3,502,138 |
| Oxford | 89,504,126 | 89,502,936 | 88,106,082 | 88,473,600 | 88,371,745 |
| Pharsalia | 211,818 | 258,950 | 251,797 | 267,366 | 268,624 |
| Preston | 14,124,379 | 14,293,483 | 14,206,371 | 14,125,955 | 14,029,548 |
| Smithville | 8,446,045 | 8,510,428 | 8,340,887 | 8,436,583 | 8,478,493 |
| Total Assessed Valuation | \$162,354,868 | \$162,885,482 | \$160,593,414 | \$161,144,733 | \$161,103,675 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Coventry | 97.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| McDonough | 79.81 | 73.53 | 76.00 | 77.28 | 78.19 |
| Norwich | 52.95 | 53.00 | 51.50 | 51.50 | 51.50 |
| Oxford | 68.00 | 62.00 | 66.00 | 66.00 | 66.70 |
| Pharsalia | 53.75 | 50.26 | 50.70 | 51.82 | 56.60 |
| Preston | 44.50 | 41.00 | 40.00 | 40.00 | 41.00 |
| Smithville | 67.00 | 61.00 | 58.78 | 59.00 | 59.00 |
| Taxable Full | | | | | |
| Valuation | \$240,907,192 | \$263,407,656 | \$250,710,219 | \$250,489,815 | \$247,296,362 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$4,750,785 | \$4,730,785 | \$4,730,785 | \$4,730,785 | \$4,770,393 |
| % Uncollected When Due ⁽¹⁾ | 10.97% | 11.67% | 10.90% | 11.58% | 11.37% |

⁽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 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> ⁽¹⁾ | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> (1) |
|----------------------|--|------------------------------|---|
| 2013-2014 | \$12,075,619 | \$17,215,259 | 70.14% |
| 2014-2015 | 12,365,050 | 17,456,990 | 70.83 |
| 2015-2016 | 13,320,614 | 19,648,797 | 67.79 |
| 2016-2017 | 13,405,438 | 18,756,220 | 71.47 |
| 2017-2018 (Budgeted) | 13,862,834 | 18,941,950 | 73.19 |
| 2018-2019 (Proposed) | 14,293,898 | 19,428,009 | 73.57 |

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2013-2014 | \$241,090 | \$633,468 |
| 2014-2015 | 282,439 | 938,976 |
| 2015-2016 | 263,909 | 750,006 |
| 2016-2017 | 237,831 | 695,590 |
| 2017-2018 (Budgeted) | 268,636 | 585,022 |
| 2018-2019 (Proposed) | 323,956 | 600,210 |

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

GASB and OPEB

The District contracted with Questar III to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2017, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$29,417,608. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$29,417,608. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$9,993,333. The District's annual OPEB expense was \$1,429,265 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$644,625 to the Plan for the fiscal year ending June 30, 2017 to 168 employees, resulting in a net increase to its unfunded OPEB obligation of \$784,640, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$10,777,973. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 financial statements. The District has reserved \$0toward 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 \$439,843 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$713,326 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.

| Fiscal <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$2,610,331 | - | \$2,610,331 |
| 2018-2019 | 2,595,631 | \$198,971 | 2,794,602 |
| 2019-2020 | 2,612,931 | 198,500 | 2,811,431 |
| 2020-2021 | 990,769 | 198,500 | 1,189,269 |
| 2021-2022 | 989,556 | 198,250 | 1,187,806 |
| 2022-2023 | 986,844 | 202,750 | 1,189,594 |
| 2023-2024 | 992,631 | 196,750 | 1,189,381 |
| 2024-2025 | 991,506 | 200,750 | 1,192,256 |
| 2025-2026 | 993,631 | 199,250 | 1,192,881 |
| 2026-2027 | 991,675 | 197,500 | 1,189,175 |
| 2027-2028 | 720,250 | 200,500 | 920,750 |
| 2028-2029 | 719,500 | 198,000 | 917,500 |
| 2029-2030 | 717,250 | 195,250 | 912,500 |
| 2030-2031 | 93,500 | 197,250 | 290,750 |
| 2031-2032 | 89,250 | 198,750 | 288,000 |
| 2032-2033 | - | 204,750 | 204,750 |

Historical Disclosure Compliance

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

• The District failed to timely file notice of a rating withdrawal of the bond insurer of its 2004 serial bonds as well as notice of its failure to file such event information. On December 1, 2017, S&P Global Ratings withdrew the rating of National Public Finance Guarantee Corp. which is the bond insurer of the District's 2004 serial bonds. A material event notice disclosing the rating withdrawal and the failure to file event information was posted to the Electronic Municipal Market Access website on April 17, 2018.

The information contained under this subheading "Historical Disclosure Compliance" does not constitute operating data and annual financial information for purposes of DASNY's continuing disclosure agreement.

APPENDIX C-41 DESCRIPTION OF PITTSFORD CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-41 a brief description of the Pittsford 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 30 square miles and is 10 miles from the City of Rochester. The District is primarily a residential community and includes the incorporated Village of Pittsford, a major portion of the Town of Pittsford and small portions of the Towns of Perinton, Mendon, Brighton and Penfield in Monroe County and the Town of Victor in Ontario County. The majority of residents are employed in professional and executive positions.

Electricity and natural gas are provided throughout the District by Rochester Gas and Electric Corporation. Police protection is provided by the Monroe County Sheriff's Department and the New York State Police. The Pittsford Volunteer Fire Department provides fire protection. Educational opportunities include a number of public and private institutions. Within a five-mile radius are the Rochester Institute of Technology, University of Rochester, St. John Fisher College, Nazareth College and Monroe County Community College.

Available transportation in the area includes air, bus, rail and major commercial carriers. Major highways include Routes #390, #490 and #590, all of which feed on to and off of the New York State Thruway system. The District is also served by a substantial number of commercial and savings banks.

Population

The current estimated population of the District is 33,780. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| Name | Type | Employees |
|-----------------------------------|------------------|------------------|
| Pittsford Central School District | Public Education | 1,186 |
| Wegman's Properties, Inc. | Grocery Store | 943 |
| St. John Fisher College | Higher Education | 833 |
| Nazareth College | Higher Education | 760 |
| Manimus | Health | 500 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|--------------------------------------|------------------------|----------------|
| Rochester Gas & Electric Corporation | Utility | \$ 62,812,033 |
| Pittsford Plaza | Commercial | 33,264,500 |
| Highland Community Development | Senior Living Facility | 31,908,100 |
| Cloverwood Living Sr. Inc. | Senior Living Facility | 24,672,700 |
| Wegman's Properties | Commercial | 12,601,900 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 5.5% 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) are Monroe and Ontario Counties.

| Year | Average |
|------|---------|
|------|---------|

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|
| Monroe County | 7.0% | 5.8% | 5.1% | 4.7% | 5.0% |
| Ontario County | 6.3 | 5.2 | 4.7 | 4.3 | 4.5 |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | 2013-14 | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|---------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 5,911 | 5,866 | 5,718 | 5,682 | 5,685 | 5,805 | 5,815 |

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.

| Number of Employees | Bargaining Unit | Contract Expiration Date |
|------------------------|--|---------------------------------|
| 771 | Pittsford District Teachers' Association | 6/30/2019 |
| 22 | Pittsford District Administrators' Association | 6/30/2020 |
| 123 | Pittsford Bus Drivers' Association | 6/30/2018 (1) |
| 88 | Pittsford Central School Association of Educational Office | 6/30/2019 |
| 103 | Pittsford Maintenance, Custodial & Mechanics Association | 6/30/2020 |
| 22 | Pittsford District Supervisory & Technical Association | 6/30/2020 |
| 36 | Pittsford School Food Service Personnel | 6/30/2019 |
| 9 | Pittsford District Managerial/Confidential | 6/30/2020 |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property | \$ 3,768,580,396 |
|--|------------------|
| Debt Limit (10% of Full Valuation) | 376,858,040 |
| Gross Indebtedness ⁽²⁾ | \$76,735,000 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | \$76,735,000 |
| Net Debt Contracting Margin | \$300,123,040 |
| Percentage of Debt Contracting Power Exhausted | 20.36% |

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

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding <u>Indebtedness (1)</u> | Exclusions(2) | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-------------|-------------------------------------|---------------|----------------------------|-----------------------------|--|
| County of: | | | | | |
| Monroe | \$ 809,641,145 | \$ 89,332,075 | \$ 720,309,070 | 9.00% | \$ 64,827,816 |
| Ontario | 25,117,150 | 127,150 | 24,990,000 | 0.62 | 154,938 |
| Town of: | | | | | |
| Brighton | 6,217,344 | 60,000 | 6,157,344 | 5.70 | 350,969 |
| Mendon | 1,680,500 | 380,900 | 1,299,600 | 6.73 | 87,463 |
| Perifield | 13,479,720 | 9,591,820 | 3887,900 | 0.63 | 24,494 |
| Perinton | 19,310,000 | 18,485,000 | 825,000 | 14.85 | 122,513 |
| Pittsford | 15,776,738 | 84,030 | 15,692,708 | 93.51 | 14,674,251 |
| Victor | 5,500,000 | 1,364,000 | 4,136,000 | 2.98 | 123,253 |
| Village of: | | | | | |
| Pittsford | 385,000 | - | 385,000 | 100.00 | 385,000 |
| | • | | | Total | \$80,750,696 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

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 \$25,030,000 School District Bonds to DASNY in connection with the refunding of \$27,760,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.

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.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | <u>Amount</u> | Per <u>Capita⁽²⁾</u> | Percentage of Full <u>Value⁽³⁾</u> |
|--|---------------|------------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$76,735,000 | \$2,271.61 | 2.04% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 157,485,696 | 4,662.10 | 4.18 |

- (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 33,780.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$3,768,580,396.
- (4) The District expects to deliver \$25,030,000 School District Bonds to DASNY in connection with the refunding of \$27,760,000 of the District's outstanding bond anticipation notes. 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, 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.

Pittsford Central School District

http://emma.msrb.org/ES1061553-ES828958-ES1230080.pdf

Base CUSIP: 725635

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 1st. If paid by September 30th, no penalty is imposed. A 2% penalty is charged if paid by the end of October, and a 5% penalty is charged if paid in November, prior to November 15th for Monroe County properties. Ontario County taxpayers pay a 2% penalty for October, with taxes accepted to October 31st only.

At the end of the collection period, a list of all unpaid taxes is given to the County Treasurers for relevy on County/Town tax rolls with additional penalties.

The District is reimbursed by the Counties for all unpaid taxes to assure 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Towns of: | | | | | |
| Pittsford (1) | \$2,773,368,877 | \$2,813,618,090 | \$2,830,709,618 | \$2,859,099,837 | \$2,876,363,732 |
| Perinton (2) | 572,607,246 | 574,517,716 | 581,062,147 | 577,236,762 | 586,695,389 |
| Mendon | 59,429,851 | 59,754,141 | 60,343,737 | 61,370,559 | 62,351,637 |
| Brighton | 151,803,417 | 151,510,775 | 151,078,967 | 152,371,394 | 151,491,475 |
| Penfield | 18,851,678 | 19,206,190 | 19,481,058 | 19,282,517 | 19,490,169 |
| Victor | 52,411,720 | 52,256,374 | 53,209,902 | 53,435,593 | 53,464,329 |
| Total Assessed Valuation | \$3,628,472,789 | \$3,670,863,286 | \$3,695,885,429 | \$3,722,796,662 | \$3,749,856,731 |

⁽¹⁾ Includes Clergy Exemption. Fiscal Years Ending June 30, 2014 and 2015 include \$12,000 and \$15,000 of such exemptions, respectively.

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Towns of: | | | | | |
| Pittsford | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Perinton | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Mendon | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Brighton | 100.00 | 98.00 | 95.00 | 94.00 | 89.00 |
| Penfield | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Victor | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Taxable Full | | | | | |
| Valuation | \$3,628,472,789 | \$3,673,955,343 | \$3,703,836,954 | \$3,732,522,496 | \$3,768,580,396 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$91,075,881 | \$92,666,331 | \$94,750,493 | \$95,301,955 | \$97,875,108 |
| % Uncollected When Due ⁽¹⁾ | 1.75% | 2.08% | 2.28% | 2.13% | 2.24% |

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

⁽²⁾ Includes Clergy Exemption. Fiscal Years Ending June 30, 2014 and 2015 include \$3,000 and \$1,500 of such exemptions, respectively.

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 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> (1) | Total <u>Revenues</u> ⁽¹⁾ | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|-------------------------------|---|---|
| 2013-2014 | \$ 18,181,602 | \$ 116,584,187 | 15.59% |
| 2014-2015 | 19,726,011 | 119,390,541 | 16.52 |
| 2015-2016 | 20,743,133 | 122,358,066 | 16.95 |
| 2016-2017 | 22,297,952 | 125,602,324 | 17.75 |
| 2017-2018 (Budgeted) | 23,727,820 | 127,817,518 | 18.56 |
| 2018-2019 (Proposed) | 22,561,710 | 133,566,079 | 16.89 |

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | ERS | <u>TRS</u> |
|----------------------|--------------|--------------|
| 2013-2014 | \$ 2,616,844 | \$ 6,532,324 |
| 2014-2015 | 2,249,803 | 7,087,077 |
| 2015-2016 | 2,207,027 | 5,510,949 |
| 2016-2017 | 1,924,890 | 5,055,020 |
| 2017-2018 (Budgeted) | 2,605,161 | 5,066,081 |
| 2018-2019 (Proposed) | 2,401,065 | 5,022,954 |

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

GASB and **OPEB**

The District contracted with First Niagara Benefits Consulting to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 75. The first actuarial valuation under GASB 75 was completed for the fiscal year ending June 30, 2017. Prior valuations performed under GASB 45 guidelines have not been restated and are not reflected in historic exhibits. The last full valuation was done for the fiscal year ending June 30, 2015 under GASB 45 guidelines. An interim valuation was done for the fiscal year ending June 30, 2016 under GASB 45. The following outlines the changes to the Total OPEB Liability during the fiscal year, by source.

| Total OPEB Liability at June 30, 2016 | \$ 240,847,764 |
|--|-----------------------|
| Changes for the year: | |
| Service cost | \$ 8,311,872 |
| Interest | 8,148,245 |
| Differences between expected and actual experience | 31,761,645 |
| Changes in assumptions or other inputs | (17,397,777) |
| Benefit payments | (5,928,449) |
| Net changes | \$ 24,895,536 |
| Total OPEB Liability at June 30, 2017 | <u>\$ 265,743,300</u> |

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 \$3,743,089 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$5,202,581 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$7,321,975 | - | \$7,321,975 |
| 2018-2019 | 7,341,875 | \$2,179,038 | 9,520,913 |
| 2019-2020 | 7,367,075 | 2,494,500 | 9,861,575 |
| 2020-2021 | 7,387,175 | 2,497,000 | 9,884,175 |
| 2021-2022 | 7,406,875 | 2,501,000 | 9,907,875 |
| 2022-2023 | 7,435,575 | 2,501,250 | 9,936,825 |
| 2023-2024 | 2,270,700 | 2,502,750 | 4,773,450 |
| 2024-2025 | 2,275,825 | 2,510,250 | 4,786,075 |
| 2025-2026 | 2,272,887 | 2,508,250 | 4,781,137 |
| 2026-2027 | 2,281,325 | 2,507,000 | 4,788,325 |
| 2027-2028 | 2,278,875 | 2,516,250 | 4,795,125 |
| 2028-2029 | 2,282,325 | 2,510,250 | 4,792,575 |
| 2029-2030 | 2,283,900 | 2,519,500 | 4,803,400 |
| 2030-2031 | 2,287,800 | 2,508,000 | 4,795,800 |
| 2031-2032 | 2,293,200 | 2,009,800 | 4,303,000 |
| 2032-2033 | 2,295,000 | 127,800 | 2,422,800 |
| 2033-2034 | - | 123,900 | 123,900 |

⁽¹⁾ Schedule does not include remaining payments of \$2,807,545 due under an energy performance contract.

APPENDIX C-42 DESCRIPTION OF PORTVILLE CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-42 a brief description of the Portville 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 approximately 100 square miles within the Towns of Hinsdale, Olean and Portville, in Cattaraugus County, and the Towns of Clarksville and Genesee in Allegany County. The District is located in the southwestern corner of New York State. The City of Jamestown lies approximately forty miles to the west of the District.

The District is served by a road network which includes New York State Route #17, #417, #305 and a variety of local roadways.

National Fuel and National Grid provide electricity and gas service to residential, commercial and industrial users.

Fire protection is furnished throughout the District by volunteer fire companies and through fire protection districts. Police protection is provided by local police departments.

Population

The current estimated population of the District is 4,820. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | Type | Employees |
|-----------------------------------|-----------------------------|------------------|
| Olean Wholesale | Wholesale Grocery Co-op | 240 |
| Portville Central School District | Public Education | 200 |
| Sprague's | Restaurant/Farm Market | 100 |
| Keystone Tool & Dye | Tool & Dye Work | 58 |
| Portville Truck & Auto Repair | Truck & Auto Repair, Retail | 42 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Assessed Valuation |
|-------------------------------|-------------------------|---------------------------|
| Olean Wholesale | Wholesale Grocery Co-op | \$5,264,216 |
| National Fuel Gas | Utility | 4,582,073 |
| National Grid | Utility | 4,313,511 |
| New York State Electric & Gas | Utility | 1,508,671 |
| Verizon | Utility | 1,267,626 |

The total estimated assessed valuation of the top **ten (10)** taxpayers represents approximately 10.99% of the tax base of the District.

Unemployment Rate Statistics

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

| Yea | ar | A | ve | ra | g | e |
|-----|----|---|----|----|---|---|
| | | | | | | |

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--------------------|-------------|-------------|-------------|-------------|-------------|
| Cattaraugus County | 8.5% | 7.0% | 6.3% | 5.9% | 6.2% |
| Allegany County | 7.5 | 6.2 | 6.5 | 6.2 | 6.7 |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 959 | 959 | 961 | 972 | 974 | 977 | 980 |

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|--|------------------------------------|
| 83 | Portville Faculty Association | August 31, 2021 |
| 108 | Regular full and part time non-union employees | N/A |

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$202,966,852 20,296,685 |
|---|-----------------------------|
| Gross Indebtedness ⁽²⁾ | \$12,231,360 0 |
| Total Net Indebtedness | \$12,231,360 |
| Net Debt Contracting Margin | \$8,065,325 |
| Percentage of Debt Contracting Power Exhausted | 60.26% |

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

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding <u>Indebtedness⁽¹⁾</u> | Exclusions(2) | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-------------|---|---------------|----------------------------|-----------------------------|--|
| County of: | | | | | |
| Cattaraugus | \$40,452,267 | \$67,267 | \$40,385,000 | 3.80% | \$1,534,630 |
| Allegany | 25,880,000 | 0 | 25,880,000 | 2.39 | 618,532 |
| Town of: | | | | | |
| Olean | 886,279 | 0 | 886,279 | 11.78 | 104,404 |
| Portville | 60,391 | 0 | 60,391 | 99.69 | 60,204 |
| Clarksville | 0 | 0 | 0 | 22.24 | 0 |
| Genesee | 0 | 0 | 0 | 52.83 | 0 |
| | | | | Total | \$2,317,769 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

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 \$5,315,000 School District Bonds to DASNY in connection with the refunding of 6,100,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.

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.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | | Per | Percentage of Full |
|--|---------------|-----------------------|-----------------------|
| | Amount | Capita ⁽²⁾ | Value ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ | \$12,231,360 | \$2,537.63 | 6.03% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 14,549,129 | 3,018.49 | 7.17 |

- (1) The District has not incurred any indebtedness since the date of the above table.
- Based on the District's current estimated population of 4,820.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$202,966,852.
- The District expects to deliver \$5,315,000 School District Bonds to DASNY in connection with the refunding of \$6,100,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.

Cash Flow Borrowing

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

Capital Project Plans

The District annually issues bond anticipation notes for the purchase of buses.

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.

Portville Central School District http://emma.msrb.org/ES1065053-ES831431-ES1232527.pdf Base CUSIP: 737288

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

Real Estate Property Tax Collection Procedure

Tax payments are due on September 1st with no penalties for the first 30 days. The school district receives their full levies before the end of their fiscal year. Uncollected amounts are not segregated by the Town tax receivers, and any deficiency in tax collection is the Counties' liability.

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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Olean | \$10,111,340 | \$9,547,247 | \$10,424,515 | \$8,659,077 | \$7,957,623 |
| Portville | 140,007,224 | 139,829,940 | 139,549,414 | 138,174,992 | 137,351,824 |
| Clarksville | 10,612,873 | 10,634,999 | 10,759,918 | 10,906,590 | 10,787,234 |
| Genesee | 31,207,695 | 31,105,264 | 31,165,286 | 31,245,000 | 31,247,140 |
| Total Assessed Valuation | \$191,939,132 | \$191,117,450 | \$191,899,133 | \$188,985,659 | \$187,343,821 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Olean | 78.00% | 78.00% | 78.00% | 78.00% | 77.00% |
| Portville | 98.00 | 100.00 | 100.00 | 98.00 | 95.00 |
| Clarksville | 100.00 | 100.00 | 90.00 | 90.00 | 86.00 |
| Genessee | 100.00 | 102.00 | 95.00 | 90.00 | 88.00 |
| Taxable Full | | | | | |
| Valuation | \$197,648,339 | \$193,200,356 | \$197,675,205 | \$198,931,371 | \$202,966,852 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$4,383,288 | \$4,383,288 | \$4,383,288 | \$4,456,367 | \$4,545,494 |
| % Uncollected When Due ⁽¹⁾ | 9.24% | 9.22% | 8.59% | 8.55% | 8.63% |

⁽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 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> ⁽¹⁾ | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|--|------------------------------|---|
| 2013-2014 | \$9,840,196 | \$15,213,735 | 64.68% |
| 2014-2015 | 10,315,868 | 15,728,936 | 65.59 |
| 2015-2016 | 10,841,582 | 16,045,842 | 67.57 |
| 2016-2017 | 11,306,970 | 16,737,085 | 67.56 |
| 2017-2018 (Budgeted) | 11,669,968 | 17,224,096 | 67.75 |
| 2018-2019 (Proposed) | 12,078,026 | 17,730,220 | 68.12 |

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2013-2014 fiscal year, the budgeted payments for the current fiscal year, and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2013-2014 | \$284,798 | \$761,524 |
| 2014-2015 | 281,994 | 839,339 |
| 2015-2016 | 278,992 | 676,744 |
| 2016-2017 | 268,723 | 619,166 |
| 2017-2018 (Budgeted) | 347,570 | 570,693 |
| 2018-2019 (Proposed) | 327,183 | 632,572 |

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

GASB and **OPEB**

The District contracted with Nyhart to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 75. The first actuarial valuation under GASB 75 was completed for the fiscal year ending June 30, 2017. Prior valuations performed under GASB 45 guidelines have not been restated and are not reflected in historic exhibits. The last full valuation was done for the fiscal year ending June 30, 2015 under GASB 45 guidelines. An interim valuation was done for the fiscal year ending June 30, 2016 under GASB 45. The following outlines the changes to the Total OPEB Liability during the fiscal year, by source.

| Total OPEB Liability at June 30, 2016: | \$7,740,621 |
|--|-------------|
| Changes for the Year: | |
| Service cost | \$131,513 |
| Interest | 296,631 |
| Differences between expected and actual experience | 0 |
| Changes in assumptions or other inputs | 749,229 |
| Benefit payments | (427,935) |
| Net changes | \$749,438 |
| Total OPEB Liability at June 30, 2017: | \$8,490,059 |

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 \$274,324 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$1,174,901 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$712,738 | - | \$712,738 |
| 2018-2019 | 714,644 | \$534,904 | 1,249,548 |
| 2019-2020 | 710,838 | 536,500 | 1,247,338 |
| 2020-2021 | 711,525 | 537,500 | 1,249,025 |
| 2021-2022 | 711,500 | 537,750 | 1,249,250 |
| 2022-2023 | 710,763 | 537,250 | 1,248,013 |
| 2023-2024 | 594,313 | 536,000 | 1,130,313 |
| 2024-2025 | 456,950 | 539,000 | 995,950 |
| 2025-2026 | 459,650 | 541,000 | 1,000,650 |
| 2026-2027 | 271,900 | 532,000 | 803,900 |
| 2027-2028 | 99,400 | 537,500 | 636,900 |
| 2028-2029 | 96,531 | 536,750 | 633,281 |
| 2029-2030 | 98,663 | 535,000 | 633,663 |
| 2030-2031 | 95,513 | 532,250 | 627,763 |
| 2031-2032 | 62,250 | 498,500 | 560,750 |
| 2032-2033 | - | 215,250 | 215,250 |

APPENDIX C-43 DESCRIPTION OF ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-43 a brief description of the Rotterdam-Mohonasen Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District, with an area of approximately 11 square miles, is located in the eastern portion of New York State, adjacent to the City of Schenectady and about 10 miles west of the City of Albany. The District is primarily suburban-residential in nature, with some commercial development; residents find employment in the District, or commute to governmental, professional and business occupations in the Capital District Region. Air transportation is provided by the Albany International Airport. Passenger rail service is provided by Amtrak's New York-Montreal corridor and rail freight service is provided by the Delaware and Hudson Railroad. Highways traversing the District include Interstate Routes #90, #890 and #87; U.S. Route #7 and New York State Route #5.

Population

The current estimated population of the District is 20,336. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | Type | Employees |
|---|-----------------|------------------|
| Rotterdam-Mohonasen Central School District | School District | 614 |
| Price Chopper | Supermarket | 300 |
| Dutch Manor | Nursing Home | 100 |
| Price Rite | Retail | 60 |
| Hannaford | Supermarket | 50 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|-------------------------|------------------|----------------|
| National Grid | Utility | \$22,302,394 |
| Rotterdam Ventures | Industrial | 11,129,500 |
| Spectrum Communications | Utility | 9,882,956 |
| Altamont Associates | Shopping Centers | 8,268,900 |
| Helderberg LLC | Commercial | 5,039,187 |

The total estimated full valuation of the top ten (10) taxpayers represents approximately 5.2% of the tax base of the District.

Unemployment Rate Statistics

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

| | Y ear Average | | | | |
|--------------------|---------------|-------------|-------------|-------------|-------------|
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Albany County | 6.0% | 4.9% | 4.3% | 4.1% | 4.3% |
| Schenectady County | 6.7 | 5.3 | 4.7 | 4.3 | 4.5 |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 2,861 | 2,786 | 2,814 | 2,961 | 2,841 | 2,950 | 3,000 |

District Employees

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

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|---|---------------------------------|
| 251 | Mohonasen Teachers' Association | June 30, 2018 ⁽¹⁾ |
| 292 | Mohonasen Support Staff Association (Civil Service) | June 30, 2022 |
| 48 | Mohonasen Teachers' Association (Substitutes) | June 30, 2018 ⁽¹⁾ |
| 16 | Mohonasen Administrators' Association | June 30, 2021 |
| 7 | Mohonasen Support Staff Supervisors' Association | June 30, 2022 |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$1,482,077,510 148,207,751 |
|---|--------------------------------|
| Gross Indebtedness ⁽²⁾ | \$59,327,869 0 |
| Total Net Indebtedness | |
| Net Debt Contracting Margin | \$88,879,882 |
| Percentage of Debt Contracting Power Exhausted | 40.03% |

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

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding Indebtedness ⁽¹⁾ | Exclusions(2) | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-------------|--|---------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Schenectady | \$81,627,000 | \$0 | \$81,627,000 | 13.64% | \$11,133,923 |
| Albany | 281,817,942 | 0 | 281,817,942 | 0.51 | 1,437,271 |
| Town of: | | | | | |
| Rotterdam | 12,520,130 | 1,251,380 | 11,268,750 | 52.47 | 5,912,713 |
| Colonie | 102,465,502 | 40,500,802 | 61,964,700 | 0.64 | 396,574 |
| Guilderland | 16,437,459 | 6,662,677 | 9,774,782 | 1.85 | 180,833 |
| | | | | Total | \$19,061,314 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

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 \$9,510,000 School District Bonds to DASNY in connection with the refunding of \$10,750,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.

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.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | <u>Amount</u> | Per <u>Capita⁽²⁾</u> | Percentage of Full <u>Value⁽³⁾</u> |
|--|---------------|------------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$59,327,869 | \$2,917.38 | 4.00% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 78,389,183 | 3,854.70 | 5.29 |

- (1) The District has not incurred any indebtedness since the date of the above table.
- 2) Based on the District's current estimated population of 20,336.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$1,482,077,510.
- (4) The District expects to deliver \$9,510,000 School District Bonds to DASNY in connection with the refunding of \$10,750,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the debt ratios as it is already accounted for in the above calculations.

Cash Flow Borrowing

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

Capital Project Plans

The District authorized a \$48.2 million capital project on November 12, 2013. The project includes building upgrades and various additions across the District, many for health and safety needs and functionality. It also includes District-wide technology upgrades, a synthetic turf field, a new transportation facility, and a new Advanced Technology Regional Education Center that will operate in partnership with Schenectady County Community College and Capital Region BOCES. A majority of this project is now completed, with only portions of the high school yet to have renovations completed. The District has bonded \$36,275,205 of this authorization to date, and of the remaining amount authorized, \$11,664,795 bond anticipation notes remain outstanding, \$10,750,000 of which will be permanently financed with the issuance of the School District Bonds.

For the District's 2018-19 budget, the District has proposed to include a proposition to authorize the purchase of buses in the amount of \$470,000. This proposition would have no impact on the 2018-19 budget, as debt service payments would begin in the 2019-20 fiscal 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.

Rotterdam-Mohonasen Central School District https://emma.msrb.org/ES1070385-ES835818-ES1236861.pdf Base CUSIP: 778850

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

Real Estate Property Tax Collection Procedure

Taxes are due and payable during the month of September. Taxes paid during the month of October are subject to a 2% penalty fee. All taxes remaining unpaid after October 31st are turned over to the Counties for collection. The Counties reimburse the District in full before the end of the District's fiscal year.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

Assessed Valuation Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Towns of: | | | | | |
| Colonie | \$37,122,221 | \$36,703,236 | \$36,864,708 | \$37,632,378 | \$38,081,884 |
| Guilderland | 56,669,326 | 56,204,314 | 56,532,014 | 56,585,163 | 56,479,085 |
| Rotterdam | 1,336,181,535 | 1,332,745,275 | 1,341,064,213 | 1,349,956,232 | 1,350,083,965 |
| Total Assessed | | | | | |
| Valuation | \$1,429,973,082 | \$1,425,652,825 | \$1,434,460,935 | \$1,444,173,773 | \$1,444,644,934 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Towns of: | | | | | |
| Colonie | 70.25% | 68.50% | 67.75% | 67.50% | 66.50% |
| Guilderland | 92.00 | 90.00 | 88.00 | 88.00 | 75.58 |
| Rotterdam | 102.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Taxable Full | | | | | |
| Valuation | \$1,424,422,010 | \$1,448,775,879 | \$1,459,717,991 | \$1,470,009,225 | \$1,482,077,510 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$23,844,578 | \$24,663,248 | \$25,189,220 | \$25,744,700 | \$25,744,700 |
| % Uncollected When Due ⁽¹⁾ | 5.3% | 4.5% | 4.7% | 4.6% | 4.9% |

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

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid⁽¹⁾</u> | Total <u>Revenues</u> ⁽¹⁾ | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|---|---|---|
| 2013-2014 | \$18,085,780 | \$43,769,533 | 41.32% |
| 2014-2015 | 19,233,026 | 44,830,158 | 42.90 |
| 2015-2016 | 20,250,170 | 46,278,286 | 43.76 |
| 2016-2017 | 19,593,821 | 46,744,421 | 41.92 |
| 2017-2018 (Budgeted) | 20,829,821 | 48,940,000 | 42.56 |
| 2018-2019 (Proposed) | 22,043,466 | 52,920,000 | 41.65 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|-------------|
| 2013-2014 | \$888,319 | \$2,967,737 |
| 2014-2015 | 825,508 | 3,029,121 |
| 2015-2016 | 848,023 | 2,485,153 |
| 2016-2017 | 699,597 | 2,302,766 |
| 2017-2018 (Budgeted) | 775,000 | 2,100,000 |
| 2018-2019 (Proposed) | 775,000 | 2,340,000 |
| | | |

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

GASB and OPEB

The District contracted with Capital District BOCES to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2016, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$27,162,158. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$27,162,158. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$8,340,534. The District's annual OPEB expense was \$2,263,912 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,025,195 to the Plan for the fiscal year ending June 30, 2017 to 193 employees, resulting in a net increase to its unfunded OPEB obligation of \$1,238,717, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$9,579,251. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$123,553 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$2,037,600 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|---------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$5,056,931 | - | \$5,056,931 |
| 2018-2019 | 5,093,520 | \$931,075 | 6,024,595 |
| 2019-2020 | 4,992,799 | 930,250 | 5,923,049 |
| 2020-2021 | 4,918,635 | 926,750 | 5,845,385 |
| 2021-2022 | 4,468,238 | 932,250 | 5,400,488 |
| 2022-2023 | 4,293,315 | 931,250 | 5,224,565 |
| 2023-2024 | 4,214,363 | 924,000 | 5,138,363 |
| 2024-2025 | 4,103,856 | 930,750 | 5,034,606 |
| 2025-2026 | 2,608,300 | 930,750 | 3,539,050 |
| 2026-2027 | 2,605,813 | 934,250 | 3,540,063 |
| 2027-2028 | 2,346,963 | 931,000 | 3,277,963 |
| 2028-2029 | 2,346,463 | 931,250 | 3,277,713 |
| 2029-2030 | 2,345,163 | 929,750 | 3,274,913 |
| 2030-2031 | 2,341,513 | 931,500 | 3,273,013 |
| 2031-2032 | 1,515,513 | 931,250 | 2,446,763 |
| 2032-2033 | 1,516,763 | 924,000 | 2,440,763 |
| 2033-2034 | 1,516,013 | - | 1,516,013 |
| 2034-2035 | 1,513,263 | - | 1,513,263 |
| 2035-2036 | 1,513,513 | - | 1,513,513 |
| 2036-2037 | 1,516,513 | - | 1,516,513 |
| 2037-2038 | 1,517,013 | - | 1,517,013 |
| 2038-2039 | 1,514,313 | - | 1,514,313 |
| 2039-2040 | 1,515,563 | - | 1,515,563 |
| 2040-2041 | 1,514,063 | - | 1,514,063 |
| 2041-2042 | 1,514,813 | - | 1,514,813 |
| 2042-2043 | 1,517,563 | - | 1,517,563 |
| 2043-2044 | 1,513,438 | - | 1,513,438 |
| 2044-2045 | 1,517,625 | - | 1,517,625 |
| 2045-2046 | 1,514,750 | - | 1,514,750 |

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APPENDIX C-44 DESCRIPTION OF SALMON RIVER CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-44 a brief description of the Salmon River 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 centralized in 1953 and provides a public education to approximately 1,533 students from the Towns of Bangor, Bombay, Fort Covington and Westville in Franklin County and the Town of Brasher in St. Lawrence County. It encompasses an area of approximately 128 square miles. The District is located between the foothills of the Adirondack Mountains and the St. Lawrence River Valley. The District is adjacent to the Canadian border. The City of Montreal lies sixty miles to the northeast; the Village of Massena, twenty miles to the west; the Village of Malone, twenty miles to the southeast; and the Village of Potsdam, forty miles to the southwest.

The District is a mixture of residential and agricultural areas, with many of its residents commuting to Malone, Massena and Potsdam for employment.

Approximately 48% of the District's population is comprised of student from families on the St. Regis Mohawk Reservation. New York contracts with the Salmon River District to provide an education for Native American students attending the Salmon River school. Specifically, the District operates the St. Regis Mohawk School ("SRMS") which is owned by the State and historically has been leased to, and operated by the District pursuant to a contract with the State (the "SRMS Contract"). The SRMS Contract provides that all expenses generated by the St. Regis Mohawk School are funded through a State aid formula and are paid for with special State purpose monies. By execution of an amendment to the SRMS Contract in August of 2016, the State and the District extended the term of the SRMS Contract to June 30, 2020.

The District provides academic facilities for students in grade levels pre-kindergarten through grade twelve. In addition to regular academic programs, the District offers unique sequence in Mohawk language and culture for Native American students. Facilities available also include an ice skating rink, music rooms, swimming pool, three gymnasiums, shop facilities, agricultural instructional facilities, computer rooms, and athletic fields.

Fire protection services are provided by the Fort Covington Volunteer Fire Department; electricity is supplied by National Grid; telephone service is provided by Verizon New York Inc., Time Warner Cable, and AT&T. Police protection is provided by the Franklin County Sheriff's Department, St. Regis Mohawk Police, and the New York State Police, Troop B.

Higher education facilities are available in the region at SUNY Canton, Potsdam, and Plattsburgh and the following private colleges: Clarkson University, Paul Smith's College and St. Lawrence University.

Population

The current estimated population of the District is 7,283. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|--------------------------------------|---------------------------------|------------------|
| St. Regis Mohawk Tribe | Governmental Agency | 600 |
| Akwesasne Mohawk Casino | Gaming Facility/Casino | 570 |
| Salmon River Central School District | Public Education | 416 |
| Tarbell Management Group | Retail/Truck Stops | 300 |
| Twinleaf | Retail/Gas Stations/Restaurants | 200 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Assessed Valuation |
|-------------------------|-------------|---------------------------|
| National Grid | Utility | \$10,152,092 |
| Verizon New York Inc. | Utility | 1,212,409 |
| CSX Transportation | Railroad | 1,018,262 |
| Meier, Daniel | Agriculture | 972,109 |
| Ellsworth Homestead LLC | Agriculture | 950,569 |

The total estimated assessed valuation of the top **ten (10)** taxpayers represents approximately 9.51% of the tax base of the District.

Unemployment Rate Statistics

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

Year Average

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------|-------------|-------------|-------------|-------------|-------------|
| Franklin County | 8.8% | 7.2% | 6.5% | 5.6% | 5.9% |
| St. Lawrence County | 9.1 | 7.7 | 7.3 | 6.6 | 6.7 |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 1,567 | 1,594 | 1,607 | 1,555 | 1,533 | 1,570 | 1,570 |

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|---|------------------------------------|
| 209 | NYSUT | June 30, 2021 |
| 184 | Civil Service Employees Association | June 30, 2020 |
| 6 | School Administrators Association of New York | June 30, 2020 |

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018 (1)

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | |
|---|----------------------------|
| Gross Indebtedness ⁽²⁾ | \$36,708,371 32,433,896 |
| Total Net Indebtedness | \$4,274,475 |
| Net Debt Contracting Margin | |

- (1) The District has not incurred any indebtedness since the date of this table.
- Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$16,545,000 School District Bonds to DASNY in connection with the refunding of \$19,113,371 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.
- 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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding Indebtedness ⁽¹⁾ | Exclusions ⁽²⁾ | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|----------------|--|---------------------------|----------------------------|-----------------------------|--|
| County of: | | | | | |
| Franklin | \$4,263,815 | \$1,893,875 | \$2,369,940 | 4.82% | \$114,231 |
| St. Lawrence | 39,775,000 | 9,500,000 | 30,275,000 | 0.11 | 33,303 |
| Town of: | | | | | |
| Bangor | 659,482 | 577,369 | 82,113 | 2.88 | 2,365 |
| Bombay | 0 | 0 | 0 | 99.68 | 0 |
| Brasher | 1,706,583 | 1,600,683 | 105,900 | 6.48 | 6,862 |
| Fort Covington | 219,000 | 219,000 | 0 | 100.00 | 0 |
| Westville | 0 | 0 | 0 | 57.53 | 0 |
| | | | | Total | \$156,761 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018 (1)

| | <u>Amount</u> | Per <u>Capita⁽²⁾</u> | Percentage of Full <u>Value⁽³⁾</u> |
|-----------------------------------|---------------|------------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$4,274,475 | \$586.91 | 2.20% |
| | 4,431,236 | 608.44 | 2.28 |

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

⁽²⁾ Sewer and water debt.

Based on the District's current estimated population of 7,283.

Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$194,385,404.

The District expects to deliver \$16,545,000 School District Bonds to DASNY in connection with the refunding of \$19,113,371 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.

Cash Flow Borrowing

The District has generally found it necessary to borrow to operate the New York State owned St. Regis Mohawk School. All costs to operate the school are reimbursed to the District each year after final invoices are processed by the State around January of the following school year. The operating budget of the St. Regis Mohawk School is approximately \$10.5 million.

The following is a history of Revenue Anticipation Note ("RAN") borrowings for the last five years.

| Fiscal Year | <u>Amount</u> | Type | Issue Date | Due Date |
|-------------|---------------|-------------|-------------------|-----------------|
| 2013-2014 | \$8,000,000 | RAN | 6/19/13 | 6/19/14 |
| 2014-2015 | 9,000,000 | RAN | 6/18/14 | 6/18/15 |
| 2015-2016 | 9,000,000 | RAN | 6/17/15 | 6/17/16 |
| 2016-2017 | 9,000,000 | RAN | 6/16/16 | 6/16/17 |
| 2017-2018 | 9,000,000 | RAN | 6/28/17 | 6/28/18 |

The District anticipates having to issue Revenue Anticipation Notes for the 2018-2019 fiscal year.

The District issues revenue anticipations notes on an annual basis to cover expenditures associated with operating SRMS. The current SRMS Contract expires on June 30, 2020. A failure to renew the SRMS Contract or a delay of payments to be made under the SRMS Contract would have a material adverse effect upon the District's finances.

Capital Project Plans

Historically, the District has issued serial bonds annually to finance the acquisition of buses. On May 15, 2018, the qualified voters of the District will be asked to vote on a proposition for \$460,000 for the purchase of buses. Pending a positive vote, the District plans to issue serial bonds in fall 2018 to finance the acquisition of such buses.

The District is in the very early stages of planning a capital project to be voted on in 2019. The scope and project size is not known at this time.

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

Capital Leases

In 2003, the District entered into a \$1,718,000 energy performance contract for improvements to implement energy cost-saving techniques. As of June 30, 2017, \$302,147 total principal and interest remained outstanding. The following is a summary of obligations of government activities under capital lease payments:

| Fiscal Year ended June 30 th : | <u>Total</u> |
|---|------------------|
| 2018 | \$ 151,146.76 |
| 2019 | 151,000.00 |
| Total minimum lease payments: | \$ 302,146.76 |

Source: Audited Financial Statements of the District. Table itself not audited.

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.

Salmon River Central School District http://emma.msrb.org/ES1052735-ES822365-ES1223574.pdf Base CUSIP: 795472

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 during September without penalty. There is a 2% penalty if paid after September 30, and a 3% penalty if paid on or after October 31st. On or about November 3rd, a list of all unpaid taxes in each county is given to the county for re-levy on county/town tax rolls. The District is reimbursed by the county for all unpaid taxes before the end of the fiscal year in which the taxes are levied and is thus assured 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|---------------|---------------|---------------|---------------|----------------|
| Towns of: | | | | | |
| Bangor | \$2,263,605 | \$2,264,116 | \$2,285,713 | \$2,287,879 | \$2,302,062 |
| Bombay | 1,786,478 | 1,780,461 | 1,781,243 | 2,075,371 | 74,833,483 (1) |
| Brasher | 5,604,764 | 5,752,148 | 5,765,270 | 5,812,059 | 5,832,879 |
| Fort Covington | 56,365,724 | 57,308,426 | 58,023,805 | 58,652,216 | 59,346,861 |
| Westville | 39,206,494 | 39,637,227 | 40,131,611 | 40,572,724 | 41,037,592 |
| Total Assessed Valuation | \$105,227,065 | \$106,742,378 | \$107,987,642 | \$109,400,249 | \$183,352,877 |

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

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|----------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Bangor | 100.00% | 100.00% | 100.00% | 100.00% | 97.00% |
| Bombay | 2.74 | 2.74 | 2.74 | 2.74 | 100.00 (1) |
| Brasher | 88.00 | 92.00 | 91.00 | 93.00 | 93.00 |
| Fort Covington | 100.00 | 100.00 | 95.00 | 94.50 | 84.94 |
| Westville | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Taxable Full | | | | | |
| Valuation | \$169,404,800 | \$170,442,432 | \$174,839,344 | \$186,919,433 | \$194,385,404 |

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

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$1,950,881 | \$1,989,899 | \$1,989,899 | \$2,029,697 | \$2,070,291 |
| % Uncollected When Due ⁽¹⁾ | 25.26% | 25.05% | 25.25% | 26.98% | 27.27% |

⁽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 payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> ⁽¹⁾ | Total <u>Revenues⁽¹⁾</u> | Percentage of Total Revenues Consisting of State Aid(1) |
|----------------------|--|--|---|
| 2013-2014 | \$27,997,322 | \$34,081,603 | 82.15% |
| 2014-2015 | 28,492,483 | 39,259,927 | 72.57 |
| 2015-2016 | 29,117,693 | 34,774,162 | 83.73 |
| 2016-2017 | 29,961,137 | 37,997,405 | 78.85 |
| 2017-2018 (Budgeted) | 30,333,850 | 41,050,995 | 73.89 |
| 2018-2019 (Proposed) | 32,085,247 | 41,502,022 | 77.31 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year, and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | TRS |
|----------------------|------------|-------------|
| 2013-2014 | \$701,024 | \$1,298,713 |
| 2014-2015 | 678,951 | 1,298,713 |
| 2015-2016 | 644,238 | 1,979,814 |
| 2016-2017 | 581,970 | 1,649,116 |
| 2017-2018 | 602,239 | 1,421,484 |
| 2018-2019 (Proposed) | 616,871 | 1,500,000 |

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

GASB and OPEB

The District contracted with Armory Associates, LLP to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of July 1, 2016, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$144,414,164. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$144,414,164. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$66,131,961. The District's annual OPEB expense was \$14,135,495 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$3,232,739 to the Plan for the fiscal year ending June 30, 2017 to 363 employees, resulting in a net increase to its unfunded OPEB obligation of \$10,902,756, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$77,034,717. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$796,140 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$7,997,435 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|---------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$3,332,594 | - | \$3,332,594 |
| 2018-2019 | 3,358,820 | \$1,654,213 | 5,013,033 |
| 2019-2020 | 3,115,441 | 1,649,000 | 4,764,441 |
| 2020-2021 | 2,831,848 | 1,651,500 | 4,483,348 |
| 2021-2022 | 2,719,178 | 1,651,750 | 4,370,928 |
| 2022-2023 | 2,608,385 | 1,649,750 | 4,258,135 |
| 2023-2024 | 1,408,725 | 1,650,500 | 3,059,225 |
| 2024-2025 | 197,340 | 1,653,750 | 1,851,090 |
| 2025-2026 | 195,780 | 1,659,250 | 1,855,030 |
| 2026-2027 | - | 1,651,750 | 1,651,750 |
| 2027-2028 | - | 1,651,750 | 1,651,750 |
| 2028-2029 | - | 1,653,750 | 1,653,750 |
| 2029-2030 | - | 1,657,500 | 1,657,500 |
| 2030-2031 | = | 1,652,750 | 1,652,750 |
| 2031-2032 | = | 1,654,750 | 1,654,750 |
| 2032-2033 | - | 903,000 | 903,000 |

⁽¹⁾ Schedule does not include remaining payments of \$302,146.76 due under an energy performance contract.

Historical Disclosure Compliance

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

- On occasion, the District did not file certain material event notices regarding credit rating changes for the bond insurer of certain bond issues as required by the District's continuing disclosure agreements for its outstanding bonds. The District has retained a dissemination agent to ensure compliance in the future with its Continuing Disclosure Undertaking and any other undertakings entered into by the District under the Rule.
- The District failed to timely file notice of an enhanced rating change as well as notice of its failure to file such event information. On December 14, 2017, Moody's Investors Services ("Moody's") upgraded the enhanced rating of the District from "A1" to "Aa3". The underlying rating of the District has not been impacted by this rating change. A material event notice disclosing the rating change and the failure to file event information was posted to the Electronic Municipal Market ("EMMA") website on March 5, 2018.
- The District's Annual Financial Information and Operating Data ("AFIOD") posted to the EMMA website for the fiscal years ending June 30, 2013 through and including 2017 did not include the information of a type contained under the caption and "Building Aid Estimate" as it was required to do so under its existing continuing disclosure undertakings for the District's General Obligation Qualified Zone Academy Bonds, 2011 (Federally Taxable Direct Payment) and School District (Serial) Bonds, 2012, however; the building aid estimate information was contained within the section entitled "Debt Statement Summary." A notice disclosing the aforementioned was posted to the EMMA website on April 11, 2018.
- The District's AFIOD posted to the EMMA website for the fiscal years ending June 30, 2011 through and including 2017 did not include the "Civilian Labor Rate" data table as contained under the caption "Unemployment Rate Statistics" as it was required to do so under its existing continuing disclosure undertakings for the District's General Obligation Qualified Zone Academy Bonds, 2011 (Federally Taxable Direct Payment) and School District (Serial) Bonds, 2012, however; the data was publicly available on the New York State Department of Labor website. A notice disclosing the aforementioned was posted to the EMMA website on April 11, 2018.

The information contained under this subheading "Historical Disclosure Compliance" does not constitute operating data and annual financial information for purposes of DASNY's continuing disclosure agreement.

APPENDIX C-45 DESCRIPTION OF CITY SCHOOL DISTRICT OF THE CITY OF SCHENECTADY

There follows in this Appendix C-45 a brief description of the City School District of the City of Schenectady (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 County of Schenectady and contains the City of Schenectady in its entirety and a portion of the Town of Rotterdam. The District is located on the Mohawk River, about 160 miles from New York City.

The District is served by a local street system, the New York State Thruway (Interstate #90), Interstate #890, Interstate #88, and New York State Routes #5 and #7. The Albany International Airport, which services many major cities, is situated 15 minutes from the District. Conrail provides rail transportation for freight and Amtrak provides passenger rail transportation.

Population

The current estimated population of the District is 66,060. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|---|--------------------------------------|------------------|
| General Electric Company | Research, Manufacturing, Engineering | 3,900 (1) |
| Ellis Medicine | Hospital/Medical Facilities | 3,400 |
| City School District of the City of Schenectady | Education | 2,790 |
| County of Schenectady | County Government | 1,305 |
| Rivers Casino & Resort | Entertainment | 1,100 |

⁽¹⁾ Does not include approximately 2,100 employees at sites outside of, but nearby, the City.

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|--------------------------|---------------|----------------|
| Maxon Alco Holdings, LLC | Manufacturing | \$92,583,800 |
| National Grid | Utility | 87,727,911 |
| Verizon New York, Inc. | Utility | 11,937,492 |
| McPartlon Partners LLC | Commercial | 11,659,300 |
| Wood Stone Holdings | Commercial | 11,655,000 |
| CSX Corporation | Railroad | 11,596,204 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 10.7% 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 Schenectady County.

Year Average

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--------------------|-------------|-------------|-------------|-------------|-------------|
| Schenectady County | 6.7% | 5.4% | 4.7% | 4.3% | 4.5% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | 2013-14 | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|---------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 10,215 | 10,263 | 10,190 | 10,562 | 10,714 | 10.689 | 10,898 |

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.

| Number of Employees | Bargaining Unit | Contract Expiration Date |
|------------------------|--|---------------------------------|
| 63 | Schenectady Administrators Association | June 30, 2021 |
| 101 | CSEA-Local 847 (Operations & Maintenance) | June 30, 2022 |
| 374 | Schenectady Federation of Teachers (Paraprofessionals) | June 30, 2018 |
| 78 | CSEA (Secretarial and Registered Nurses) | June 30, 2022 |
| 925 | Schenectady Federation of Teachers | June 30, 2019 |
| 15 | Schenectady Adult Educators Assoc. N.Y.E.A | August 31, 2019 |
| 16 | Middle Management Association | June 30, 2018 |
| 316 | School Alliance of Substitutes in Education | August 31, 2022 |

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| | Based on Conventional Equalization <u>Rates</u> | Based On Special Equalization <u>Ratios</u> |
|---|--|--|
| Five Year Average Full Valuation of Taxable Real Property Debt Limit (5% of full valuation) ⁽²⁾ | \$2,027,070,709 \$101,353,535 | \$1,965,948,312 \$98,297,416 |
| Outstanding Indebtedness ⁽³⁾ Inclusions Bonds Bond Anticipation Notes Total Inclusions | \$44,580,000 <u>66,160,000</u> \$110,740,000 | \$44,580,000 <u>66,160,000</u> \$110,740,000 |
| Exclusions Bonds Previously Refunded Appropriations Total Exclusions | \$0 2,515,000 \$2,515,000 | \$0 2,515,000 \$2,515,000 |
| Total Net Indebtedness | \$108,225,000 | \$108,225,000 |
| Net Debt Contracting Margin ⁽⁴⁾ | (\$6,871,465) | (\$9,927,584) |
| Percentage of Debt Contracting Power Exhausted | 106.78% | 110.10% |

- (1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$57,725,000 School District Bonds to DASNY in connection with the refunding of \$66,160,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- (2) The District's constitutional debt limit has been computed using special equalization ratios established by the State Office of Real Property Tax Services pursuant to Art-12-B of the Real Property Tax Law. "Conventional" State equalization rates are also established by the State Board, and are used for all other purposes.
- (3) Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the constitutional debt limit of the District.
- (4) The District has satisfied the requirements contained in Section 104.00 of the Local Finance Law to exceed its debt limit to provide for the issuance of \$72,500,000 serial bonds, including receiving the consents of the Board of Regents and the Office of the State Comptroller.

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 2016 fiscal year of the respective municipalities.

| <u>edness</u> |
|---------------|
| |
| 0,071 |
| |
| 6,829 |
| |
| 0,450 |
| 7,350 |
| 50 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | | Per | Percentage of Full |
|--|---------------|-----------------------------|----------------------------|
| | <u>Amount</u> | <u>Capita⁽²⁾</u> | <u>Value⁽³⁾</u> |
| Gross Indebtedness ⁽⁴⁾ | \$110,740,000 | \$1,676.35 | 5.60% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 213,127,350 | 3,226.27 | 10.77 |

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

Cash Flow Borrowing

The District has not issued revenue anticipation notes or tax anticipation notes since the 2013-14 fiscal year and does not expect to issuing revenue anticipation notes or tax anticipation notes in the current fiscal year.

⁽²⁾ Sewer and water debt.

Based on the District's current estimated population of 66,060.

Based on the District's full value of taxable real estate using the special State equalization rates for 2017-18 of \$1,978,952,564.

⁽⁴⁾ The District expects to deliver \$57,725,000 School District Bonds to DASNY in connection with the refunding of \$66,160,000 of the District's outstanding bond anticipation notes. 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.

Capital Project Plans

In May 2016, voters of the School District approved a \$2.5 million capital project for the construction of improvements at the Central Park School. The District anticipates issuing \$2.5 million bond anticipation notes as the first borrowing against said authorization on May 24, 2018.

In May 2017, voters of the District approved a \$64.5 million capital project which is considered Phase II of a long-term multi-phase plan to address the District's facility needs and building capacities and will focus on renovating or repairing nine elementary schools. The District anticipates issuing \$5 million bond anticipation notes as the first borrowing against said authorization on May 24, 2018. Future borrowings for the project will occur upon approval from the State Education Department and as the project's cash flow needs warrant.

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.

City School District of the City of Schenectady https://emma.msrb.org/ER1095689-ER857334-ER1257994.pdf Base CUSIP: 806466

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 District taxes are payable in four installments which are due at the end of each month. Interest on delinquent installments is added at the rate of 1.75% per month or a fraction thereof, until such installment is paid or until the return of the School District tax warrant. After the return of the warrant, which generally takes place about May 20th in each fiscal year, the unpaid taxes on real property within the City of Schenectady are turned over to the tax enforcement officer of the City and the unpaid taxes on real property within the Town of Rotterdam are turned over to the County Commissioner of Finance. Both such officials collect such unpaid taxes until the sale of unpaid city taxes and unpaid county taxes, respectively. At such tax sales all unpaid school taxes are bid on by the City and County, respectively, and the School District is paid the full amount of such unpaid taxes, including accrued interest thereon. The District receives payment from such unpaid taxes within the two following fiscal years.

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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|--|--|--|
| City of: Schenectady Town of: | \$2,323,749,971 | \$2,322,302,973 | \$2,310,846,387 | \$2,291,695,881 | \$2,385,285,284 | | | |
| Rotterdam | 57,713,858 | 58,519,454 | 58,329,844 | 57,426,814 | 55,165,825 | | | |
| Total Assessed Valuation | \$2,381,463,829 | \$2,380,822,427 | \$2,369,176,231 | \$2,349,122,695 | \$2,440,451,109 | | | |
| State Equalization Rates Years Ending June 30, | | | | | | | | |
| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | | | |
| City of: Schenectady Town of: | 108.00% | 123.00% | 121.00% | 122.00% | 118.00% | | | |
| Rotterdam Taxable Full | 102.00 | 100.00 | 100.00 | 100.00 | 100.00 | | | |
| Valuation Valuation | \$2,208,202,557 | \$1,946,570,652 | \$1,968,120,246 | \$1,935,866,061 | \$2,076,594,032 | | | |
| Special State Equalization Ratios Years Ending June 30, | | | | | | | | |

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| City of: | | | | | |
| Schenectady | 123.15% | 122.61% | 118.11% | 121.60% | 123.94% |
| Town of: | | | | | |
| Rotterdam | 101.23 | 101.48 | 101.80 | 101.30 | 101.40 |
| Taxable Full | | | | | |
| Valuation | \$1,943,939,092 | \$1,951,722,741 | \$2,013,818,992 | \$1,941,308,169 | \$1,978,952,564 |
| | | | | | |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$52,700,741 | \$54,133,774 | \$54,133,771 | \$53,682,521 | \$52,559,737 |
| % Uncollected When Due ⁽¹⁾ | 6.67% | 5.77% | 4.72% | 5.28% | 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 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> ⁽¹⁾ | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|--|------------------------------|---|
| 2013-2014 | \$94,855,825 | \$157,374,814 | 60.27% |
| 2014-2015 | 99,922,233 | 163,476,649 | 61.12 |
| 2015-2016 | 103,591,393 | 168,550,871 | 61.46 |
| 2016-2017 | 111,148,439 | 176,110,495 | 63.11 |
| 2017-2018 (Budgeted) | 122,970,865 | 186,289,260 | 66.01 |
| 2018-2019 (Proposed) | 131,715,542 | 194,437,849 | 67.74 |

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|-------------|-------------|
| 2013-2014 | \$2,567,806 | \$9,931,226 |
| 2014-2015 | 2,293,676 | 11,093,626 |
| 2015-2016 | 2,253,463 | 7,676,399 |
| 2016-2017 | 2,033,360 | 7,719,773 |
| 2017-2018 (Budgeted) | 2,126,671 | 8,073,500 |
| 2018-2019 (Proposed) | 2,132,121 | 7,473,770 |

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

GASB 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, 2017, 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 \$174,983,008. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$174,983,008. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$82,581,452. The District's annual OPEB expense was \$14,483,312 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$4,902,167 to the Plan for the fiscal year ending June 30, 2017 to 2,180 employees, resulting in a net increase to its unfunded OPEB obligation of \$9,581,145, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$92,162,597. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – GASB and OPEB."

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

Recent Operating Results

The District's revenues exceeded its expenditures by \$4,630,613 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$7,279,867at 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|---------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$8,597,071 | - | \$8,597,071 |
| 2018-2019 | 8,599,809 | - | 8,599,809 |
| 2019-2020 | 8,611,551 | \$5,920,420 | 14,531,971 |
| 2020-2021 | 6,956,758 | 5,971,000 | 12,927,758 |
| 2021-2022 | 5,134,354 | 5,961,625 | 11,095,979 |
| 2022-2023 | 5,128,430 | 5,964,000 | 11,092,430 |
| 2023-2024 | 4,269,636 | 5,962,500 | 10,232,136 |
| 2024-2025 | 4,274,871 | 5,947,125 | 10,221,996 |
| 2025-2026 | 2,525,518 | 5,947,375 | 8,472,893 |
| 2026-2027 | 447,950 | 5,942,500 | 6,390,450 |
| 2027-2028 | 449,460 | 5,932,250 | 6,381,710 |
| 2028-2029 | - | 5,931,000 | 5,931,000 |
| 2029-2030 | - | 5,928,000 | 5,928,000 |
| 2030-2031 | - | 5,917,875 | 5,917,875 |
| 2031-2032 | - | 5,910,125 | 5,910,125 |
| 2032-2033 | - | 5,904,000 | 5,904,000 |

Recent Late Payment of Interest

On November 15, 2015, the District had an interest payment due for the \$10,355,000 School District (Serial) Bonds, 2015 Series A. The payment was not made until November 20, 2015 due to a clerical error. A material event notice was filed to the Electronic Municipal Market Access ("EMMA") on December 1, 2015. The District has rectified the oversight and foresees no reason to believe the oversight will happen again in the future.

Historical Disclosure Compliance

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

- The District failed to timely file notice of an enhanced rating change as well as notice of its failure to file such event information. On December 14, 2017, Moody's Investors Services upgraded the enhanced rating of the District from "A1" to "Aa3". The underlying rating of the District has not been impacted by this rating change. A material event notice disclosing the rating change and failure to file event notice was posted to the EMMA website on March 5, 2018.
- The District timely filed its Annual Financial Information and Operating Data ("AFIOD") for the fiscal year ending June 30, 2017; however, the section titled "Five Largest Payment in Lieu of Tax Agreements" was erroneously not included. The table of the "Five Largest Payment in Lieu of Tax Agreements" for the fiscal year ending June 30, 2017 was included in the District's AFIOD filing which was submitted to EMMA on December 29, 2016. A material event notice was posted to EMMA on April 24, 2018.

The information contained under this subheading "Historical Disclosure Compliance" does not constitute operating data and annual financial information for purposes of DASNY's continuing disclosure agreement.

APPENDIX C-46 DESCRIPTION OF SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-46 a brief description of the Scotia-Glenville 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 north of, and adjacent to, the City of Schenectady in the eastern central portion of upstate New York, encompasses approximately 40 square miles and includes the Village of Scotia and various portions of the Towns of Glenville, Amsterdam and Charlton.

The hub of the District is the Village of Scotia (the "Village"). The Village's main arteries of travel include State routes #5, 37, #50, #88 and #90 (the New York State Thruway), which are supplemented by a good county and town road network. Rail service is provided by Amtrak for passenger travel and Conrail for freight shipment. Located on the Mohawk River, the Village is connected to the New York State Barge Canal system. Bus service is available through Trailways and Greyhound for all major cities in the United States and Canada. Major air transport facilities are located at the Albany County Airport, ten miles southeast of the District.

There are many opportunities for higher education within 30 minutes of the District: Union College and Schenectady County Community College in Schenectady, Skidmore College in Saratoga Springs, University at Albany (SUNY), Albany Law School, Albany Medical College, Albany College of Pharmacy and The College of St. Rose in Albany, Siena College in Loudonville, and Rensselaer Polytechnic Institute, Russell Sage College and Hudson Valley Community College in Troy.

The area is also rich in cultural activities. The Saratoga Performing Arts Center (summer home of the New York City ballet), Proctors Theater, Schenectady Symphony Orchestra, Schenectady Light Opera, Schenectady Civic Players, New York State Museum, Times Union Center and Empire State Performing Arts Center are within short drives.

Many residents find employment in technical and clerical professions, small businesses and service employees. Most residents travel to nearby Schenectady, Albany or Saratoga Springs for employment. The principal industry in the immediate area is General Electric with its turbine and motor production facility located two miles south of the District in the City of Schenectady. The facility currently employs 4,000 persons and employment levels are projected to be stable in the near future. The State of New York and Lockheed Martin are two other major employers in the area. The character of the District is primarily residential in nature, with some commercial development.

In the business park adjacent to the District, recently there has been an \$11 million technology repair facility which is under a payment in lieu of taxes (PILOT) agreement and a trucking company has expanded operations.

Population

The current estimated population of the District is 18,654. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | Type | <u>Approximate</u> <u>Employees</u> |
|--------------------------------|------------------|--|
| Global Foundries | Chip Fabrication | 5,500 |
| General Electric Power Systems | Manufacturing | 4,000 |
| Ellis Machine | Health Care | 3,300 |
| NY Air National Guard | Military | 1,400 |
| County of Schenectady | Local Government | 1,300 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Assessed Valuation |
|-------------------------|--------------------|---------------------------|
| National Grid | Utility | \$ 36,087,947 |
| Shady Lane Realty, Inc. | Real Estate | 22,897,925 |
| Patriot Square, LLC | Commercial | 13,184,800 |
| Wal-Mart | Real Estate/Retail | 12,773,700 |
| Glacier Albany, LLC | Apartments | 11,500,000 |

The total estimated full valuation of the top ten (10) taxpayers represents approximately 10.12% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) are Schenectady, Montgomery and Saratoga Counties.

Year Average

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--------------------|-------------|-------------|-------------|-------------|-------------|
| Schenectady County | 6.7% | 5.3% | 4.7% | 4.3% | 4.5% |
| Montgomery County | 9.2 | 7.4 | 6.6 | 5.7 | 5.8 |
| Saratoga County | 5.8 | 4.6 | 4.1 | 3.8 | 4.0 |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 2,650 | 2,600 | 2,600 | 2,600 | 2,560 | 2,560 | 2,560 |

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|---|------------------------------------|
| 235 | Scotia-Glenville Teachers Association | June 30, 2021 |
| 88 | Scotia-Glenville Teachers Association (Aides and Monitors) | June 30, 2020 |
| 74 | AFSCME-AFL-CIO | June 30, 2019 |
| 40 | Scotia-Glenville Teachers Association (Teaching Assistants) | June 30, 2018 (2) |
| 26 | NYSUT (Secretarial Association) | June 30, 2018 (2) |
| 16 | Scotia-Glenville Administrators Association | June 30, 2019 |
| 8 | Management Confidential | June 30, 2018 (2) |
| 7 | Professional Registered Nurses Association (1) | |

⁽¹⁾ New York State Nurses were accreted into the Scotia-Glenville Teachers Association on July 1, 2015.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | |
|---|--------------------------|
| Gross Indebtedness ⁽²⁾ | \$ 30,529,550 0 |
| Total Net Indebtedness | |
| Net Debt Contracting Margin | \$ 109,268,551 21.84% |

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

⁽²⁾ Currently in negotiations.

Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$13,265,000 School District Bonds to DASNY in connection with the refunding of \$15,084,550 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding <u>Indebtedness</u> ⁽¹⁾ | Exclusions ⁽²⁾ | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-------------|---|---------------------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Schenectady | \$ 81,627,000 | \$ - | \$ 81,627,000 | 13.88% | \$ 11,329,828 |
| Montgomery | 33,168,031 | - | 33,168,031 | 0.04 | 13,267 |
| Saratoga | 60,630,000 | - | 60,630,000 | 0.01 | 6,063 |
| Town of: | | | | | |
| Glenville | 15,245,854 | 8,177,233 | 7,068,621 | 99.74 | 7,050,243 |
| Amsterdam | 3,990,000 | 3,440,000 | 550,000 | 0.07 | 385 |
| Charlton | 1,742,900 | 30,900 | 1,712,000 | 0.18 | 3,082 |
| Village of: | | | | | |
| Scotia | 2,752,421 | 2,038,910 | 713,511 | 100.00 | 713,511 |
| | | | | Total | \$ 19,116,379 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | | Per | Percentage of Full |
|--|---------------|-----------------------------|-----------------------|
| | Amount | <u>Capita⁽²⁾</u> | Value ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ | \$ 30,529,550 | \$ 1,636.62 | 2.18% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 49,645,929 | 2,661.41 | 3.55 |

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

Cash Flow Borrowing

The District, historically, does not issue tax anticipation notes and/or revenue anticipation notes.

The District does not expect to issue revenue anticipation notes or tax anticipation notes in the current fiscal year.

⁽²⁾ Sewer and water debt.

Based on the District's current estimated population of 18,654.

Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$1,397,981,011.

The District expects to deliver \$13,265,000 School District Bonds to DASNY in connection with the refunding of \$15,084,550 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Capital Project Plans

The Board of Education adopted a bond resolution on June 22, 2015 authorizing the issuance of serial bonds in an aggregate principal amount not to exceed \$15,084,550 to finance various capital improvements. The District issued \$4,500,000 bond anticipation notes on July 29, 2016 representing the first borrowing against this authorization. The District renewed in full these bond anticipation notes along with \$10,584,550 new money, to June 29, 2018. The Bonds are being issued to permanently finance the bond anticipation notes for the aforementioned project.

The District is currently in the preliminary stages of planning a capital project. The amount of the capital project is expected to be approximately \$14.0 million and will be voted on in May 2018.

There are presently no other capital projects authorized and unissued by the District.

FINANCIAL FACTORS

General Information

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

Scotia-Glenville Central School District https://emma.msrb.org/ES1052941-ES822554-ES1223749.pdf Base CUSIP: 809265

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 of each year. 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 November 1st, uncollected taxes are returnable to the Counties for collection. The District receives this amount from said Counties prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the Counties.

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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|
| Towns of: | | | | | |
| Glenville | \$ 1,241,153,399 | \$ 1,249,184,891 | \$ 1,262,733,762 | \$ 1,276,421,464 | \$ 1,282,903,862 |
| Amsterdam | 99,900 | 87,710 | 90,370 | 95,071 | 90,412 |
| Charlton | 1,683,340 | 1,683,814 | 1,684,624 | 1,685,527 | 1,735,075 |
| Total Assessed Valuation | \$ 1,242,936,639 | \$ 1,250,956,415 | \$ 1,264,508,756 | \$ 1,278,202,062 | \$ 1,284,729,349 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|------------------|------------------|------------------|------------------|------------------|
| Towns of: | | | | | |
| Glenville | 95.00% | 96.00% | 95.00% | 94.00% | 92.00% |
| Amsterdam | 10.00 | 10.00 | 9.90 | 9.38 | 8.68 |
| Charlton | 70.00 | 71.00 | 72.00 | 72.00 | 70.00 |
| Taxable Full | | | | | |
| Valuation | \$ 1,309,881,034 | \$ 1,304,482,930 | \$ 1,332,446,018 | \$ 1,361,249,734 | \$ 1,397,981,011 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Total Tax Levy | \$ 27,341,856 | \$ 27,824,034 | \$ 27,410,997 | \$ 27,502,352 | \$ 28,425,239 |
| % Uncollected When Due ⁽¹⁾ | 4.48% | 5.05% | 4.66% | 4.30% | 4.11% |

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

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> ⁽¹⁾ | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|--|------------------------------|---|
| 2013-2014 | \$ 17,006,327 | \$ 45,676,231 | 37.23% |
| 2014-2015 | 17,575,588 | 47,540,694 | 36.97 |
| 2015-2016 | 18,770,481 | 48,195,061 | 38.95 |
| 2016-2017 | 19,525,442 | 49,020,133 | 39.83 |
| 2017-2018 (Budgeted) | 20,068,578 | 49,971,966 | 40.16 |
| 2018-2019 (Proposed) | 21,098,693 | 51,819,847 | 40.72 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year, and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | $\underline{\mathbf{ERS}}$ | <u>TRS</u> |
|----------------------|----------------------------|--------------|
| 2013-2014 | \$ 716,024 | \$ 2,899,681 |
| 2014-2015 | 767,627 | 2,905,419 |
| 2015-2016 | 621,328 | 2,326,102 |
| 2016-2017 | 585,873 | 2,164,154 |
| 2017-2018 (Budgeted) | 707,000 | 1,978,000 |
| 2017-2018 (Proposed) | 652,000 | 1,976,000 |

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

GASB and OPEB

The District contracted with *Capital Region BOCES/Hay Group to cal*culate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2017, 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 \$100,049,047. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$100,049,047. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$43,963,135. The District is on a pay-as-you-go funding basis and paid \$1,956,000 to the Plan for the fiscal year ending June 30, 2017, resulting in a net increase to its unfunded OPEB obligation of \$7,052,432, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$51,015,567. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$641,881 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$1,985,038 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|---------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$3,327,039 | - | \$3,327,039 |
| 2018-2019 | 3,444,006 | \$1,293,279 | 4,737,285 |
| 2019-2020 | 3,355,068 | 1,297,250 | 4,652,318 |
| 2020-2021 | 1,857,300 | 1,294,500 | 3,151,800 |
| 2021-2022 | 1,772,026 | 1,300,250 | 3,072,276 |
| 2022-2023 | 1,094,950 | 1,304,000 | 2,398,950 |
| 2023-2024 | 972,800 | 1,300,750 | 2,273,550 |
| 2024-2025 | 976,100 | 1,305,750 | 2,281,850 |
| 2025-2026 | 978,500 | 1,303,500 | 2,282,000 |
| 2026-2027 | - | 1,304,250 | 1,304,250 |
| 2027-2028 | - | 1,302,750 | 1,302,750 |
| 2028-2029 | - | 1,309,000 | 1,309,000 |
| 2029-2030 | - | 1,302,500 | 1,302,500 |
| 2030-2031 | - | 1,298,750 | 1,298,750 |
| 2031-2032 | - | 1,297,500 | 1,297,500 |
| 2032-2033 | - | 1,228,500 | 1,228,500 |

⁽¹⁾ Schedule does not include remaining payments of \$3,939,536.99 due under two energy performance contracts.

APPENDIX C-47 DESCRIPTION OF SODUS CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-47 a brief description of the Sodus 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 1944, is located in the Towns of Arcadia and Sodus in Wayne County. The District covers approximately 66 square miles. All of the District's facilities are located on a 66-acre campus, approximately 30 miles east of the City of Rochester.

The District is served by an excellent network of State highways, providing access to the New York State Thruway at Exit 42, approximately 25 miles to the south. Bus and rail service are available in Rochester. Air transportation is available at the Greater Rochester International Airport.

The District is a rural/agricultural area with many of its residents commuting to Rochester for employment. Other residents are employed in agriculture, with fruit and vegetable farms prevalent. Food processing also provides employment.

Water and sewer services are provided primarily by the Village of Sodus. Electricity and natural gas are provided by Rochester Gas & Electric Corporation; telephone service by Frontier and Verizon New York Inc. Police protection is provided by the Village of Sodus, supplemented by the Wayne County Sheriff's 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 Pre-K-12. Opportunities for higher education are available at the many colleges and universities in and around the Rochester area.

District residents find commercial and financial services in the Village of Sodus, as well as in nearby Rochester. Recreational and cultural facilities are available in and around the Rochester area.

Population

The current estimated population of the District is 7,444. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|------------------------------------|-----------------------------------|------------------|
| Sodus Central School District | Public Education | 288 |
| Blossom View Nursing Home | Nursing Home | 150 |
| Dynalec, Inc. | Manufacturer – Military Contracts | 97 |
| Reliant Community Credit Union | Financial Institution | 90 |
| Peake Chrysler Dodge Jeep Ram Fiat | Dealership | 40 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|--------------------------------------|--------------|----------------|
| Rochester Gas & Electric Corporation | Utility | \$15,338,656 |
| Blossom View Nursing Home | Nursing Home | 5,375,000 |
| Sodus Properties, LLC | Agriculture | 2,937,800 |
| Sodus LLC | Dealership | 2,768,449 |
| Sodus Cold Storage | Cold Storage | 2,676,400 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 8.22% 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 Wayne County.

| Year A | lverage |
|--------|---------|
|--------|---------|

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|
| Wayne County | 7.6% | 6.1% | 5.3% | 4.9% | 5.0% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.6 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected 2019-20 |
|----------|----------------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| Pre-K-12 | 1,161 | 1,124 | 1,091 | 1,101 | 1,114 | 1,100 | 1,100 |

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|--|------------------------------------|
| 127 | Sodus Faculty Association | June 30, 2019 |
| 94 | Sodus Civil Service Employees' Association | June 30, 2020 |
| 5 | Sodus Administrators' 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 May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$437,571,496 43,757,149 |
|---|-----------------------------|
| Gross Indebtedness ⁽²⁾ | \$18,880,000 0 |
| Total Net Indebtedness | \$18,880,000 |
| Net Debt Contracting Margin | \$24,877,149 |
| Percentage of Debt Contracting Power Exhausted | 43.15% |

- The District has not incurred any indebtedness since the date of this table.
- 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 \$7,830,000 School District Bonds to DASNY in connection with the refunding of \$7,000,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- 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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding <u>Indebtedness</u> (1) | Exclusions ⁽²⁾ | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|--------------|-------------------------------------|---------------------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Wayne | \$27,598,000 | \$0 | \$27,598,000 | 9.13% | \$2,519,697 |
| Towns of: | | | | | |
| Arcadia | 4,306,555 | 0 | 4,306,555 | 0.06 | 2,584 |
| Sodus | 2,777,047 | 0 | 2,777,047 | 95.54 | 2,653,191 |
| Villages of: | | | | | |
| Sodus | 1,160,000 | 0 | 1,160,000 | 100.00 | 1,160,000 |
| Sodus Point | 2,301,580 | 0 | 2,301,580 | 100.00 | 2,301,580 |
| | | | | Total | \$8,637,052 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | Amount | Per Capita ⁽²⁾ | Percentage of Full Value ⁽³⁾ |
|--|--------------|------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$18,880,000 | \$2,536.27 | 4.31% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 27,517,052 | 3,696.54 | 6.29 |

- The District has not incurred any indebtedness since the date of the above table.
- Based on the District's current estimated population of 7,444.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$437,571,496.
- The District expects to deliver \$7,830,000 School District Bonds to DASNY in connection with the refunding of \$7,000,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

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.

Sodus Central School District

https://emma.msrb.org/ER1107900-ER866434-ER1267117.pdf

Base CUSIP: 833816

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 the 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Arcadia | \$301,395 | \$301,437 | \$298,966 | \$298,965 | \$299,044 |
| Sodus | 410,281,777 | 414,490,092 | 416,520,399 | 417,344,008 | 437,259,992 |
| Total Assessed Valuation | \$410,583,172 | \$414,791,529 | \$416,819,365 | \$417,642,973 | \$437,559,036 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Arcadia | 100.00% | 99.00% | 97.00% | 97.00% | 96.00% |
| Sodus | 100.00 | 100.00 | 98.00 | 97.00 | 100.00 |
| Taxable Full | | | | | |
| Valuation | \$410,583,172 | \$414,794,573 | \$425,329,027 | \$430,559,765 | \$437,571,496 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$8,578,367 | \$8,785,681 | \$8,942,170 | \$9,045,446 | \$9,117,307 |
| % Uncollected When Due ⁽¹⁾ | 6.36% | 6.94% | 7.07% | 7.15% | 7.06% |

⁽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 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> ⁽¹⁾ | Total <u>Revenues</u> ⁽¹⁾ | Revenues Consisting of State Aid (1) |
|----------------------|--|---|--------------------------------------|
| 2013-2014 | \$14,796,927 | \$24,948,798 | 59.31% |
| 2014-2015 | 15,297,425 | 24,687,989 | 61.96 |
| 2015-2016 | 15,451,583 | 25,072,315 | 61.63 |
| 2016-2017 | 16,185,510 | 26,023,702 | 62.20 |
| 2017-2018 (Budgeted) | 17,057,408 | 27,413,421 | 62.22 |
| 2018-2019 (Proposed) | 16,733,638 | 27,530,756 | 60.78 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|-------------|
| 2013-2014 | \$563,416 | \$1,533,049 |
| 2014-2015 | 529,479 | 1,634,473 |
| 2015-2016 | 355,528 | 1,332,596 |
| 2016-2017 | 352,249 | 1,205,201 |
| 2017-2018 (Budgeted) | 423,500 | 1,041,488 |
| 2018-2019 (Proposed) | 450,000 | 1,045,000 |

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

GASB 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, 2017, 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 \$15,189,852. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$15,189,852. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$1,631,274. The District's annual OPEB expense was \$1,502,374 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$973,475 to the Plan for the fiscal year ending June 30, 2017 to 365 employees, resulting in a net increase to its unfunded OPEB obligation of \$528,899, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$2,160,173. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 financial statements. The District has reserved \$1,050,024 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 \$153,330 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$1,115,937 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|---------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$2,491,942 | - | \$2,491,942 |
| 2018-2019 | 1,217,693 | \$855,475 | 2,073,168 |
| 2019-2020 | 1,212,184 | 859,500 | 2,071,684 |
| 2020-2021 | 1,199,776 | 855,250 | 2,055,026 |
| 2021-2022 | 1,190,987 | 865,000 | 2,055,987 |
| 2022-2023 | 1,181,209 | 858,000 | 2,039,209 |
| 2023-2024 | 1,169,728 | 845,000 | 2,014,728 |
| 2024-2025 | 968,634 | 836,250 | 1,804,884 |
| 2025-2026 | 602,138 | 661,500 | 1,263,638 |
| 2026-2027 | 585,362 | 659,000 | 1,244,362 |
| 2027-2028 | 578,287 | 660,500 | 1,238,787 |
| 2028-2029 | 560,138 | 655,750 | 1,215,888 |
| 2029-2030 | 546,163 | 655,000 | 1,201,163 |
| 2030-2031 | 536,213 | 638,000 | 1,174,213 |
| 2031-2032 | 190,550 | 650,500 | 841,050 |
| 2032-2033 | - | 651,000 | 651,000 |

APPENDIX C-48 DESCRIPTION OF SOLVAY UNION FREE SCHOOL DISTRICT

There follows in this Appendix C-48 a brief description of the Solvay Union Free School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

The District is located in Onondaga County and headquartered in the Village of Solvay. Many residents work in the City of Syracuse which is coterminous to the District. Major highways bisecting the District include State Routes #5 and #690. In close proximity to the District are Interstate 90 (the New York State Thruway) and Interstate #81 providing east-west and north-south access.

The District is primarily residential and industrial in nature. Gas and electric services are prepared by The Village of Solvay (Solvay Electric) and National Grid Power Corp., respectively. Sewer and water services are available to residents by the Village of Solvay.

Population

The current estimated population of the District is 9,960. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|-------------------------------------|-------------|------------------|
| Upstate University Health System | Healthcare | 9,000-9,500 |
| St. Joseph's Hospital Health Center | Healthcare | 4,500-5,000 |
| Walmart | Retail | 4,500-5,000 |
| Syracuse University | Education | 4,500-5,000 |
| Lockheed Martin | Industrial | 4,000-5,000 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|--------------------------|------------------------|----------------|
| Rock-Tenn Solvay, LLC | Manufacturer | \$21,511,627 |
| National Grid | Utility | 15,417,034 |
| Art Mortgage Borrower | Distribution/Warehouse | 12,191,000 |
| Westvale Plaza | Shopping Center | 8,696,400 |
| Syracuse Real Estate LLC | Industrial | 5,677,000 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 15.4% of the tax base of the District.

Unemployment Rate Statistics

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

| Year Av | erage |
|---------|-------|
|---------|-------|

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------|-------------|-------------|-------------|-------------|-------------|
| Onondaga County | 6.8% | 5.6% | 4.9% | 4.5% | 4.7% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 1,547 | 1,488 | 1,499 | 1,491 | 1,484 | 1,480 | 1,480 |

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|---|---------------------------------------|
| 160 | Solvay Teachers Association | June 30, 2018 (1) |
| 142 | Solvay School Employees' Union | June 30, 2019 |
| 12 | No Formal Bargaining Unit | N/A |
| 6 | Solvay Administrators' Association | June 30, 2020 |
| 145 | Solvay Per Diem Substitute Teachers' Association | June 30, 2019 |
| 142 12 6 | Solvay School Employees' Union No Formal Bargaining Unit Solvay Administrators' Association | June 30, 2019 N/A June 30, 2020 |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$527,756,106 52,775,610 |
|---|-----------------------------|
| Gross Indebtedness ⁽²⁾ | \$19,235,000 0 |
| Total Net Indebtedness | \$19,235,000 |
| Net Debt Contracting Margin Percentage of Debt Contracting Power Exhausted | \$33,540,610 36.45% |

- (1) The District has not incurred any indebtedness since the date of this table.
- 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 \$4,565,000 School District Bonds to DASNY in connection with the refunding of \$4,400,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- 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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding <u>Indebtedness</u> ⁽¹⁾ | Exclusions ⁽²⁾ | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-------------|--|---------------------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Onondaga | \$652,085,295 | \$326,150,634 | \$325,934,661 | 1.92% | \$6,257,945 |
| Towns of: | | | | | |
| Camillus | 3,516,145 | 621,555 | 2,894,590 | 1.06 | 30,683 |
| Geddes | 1,689,067 | 0 | 1,689,067 | 54.67 | 923,413 |
| Village of: | | | , , | | • |
| Solvay | 9,381,000 | 0 | 9,381,000 | 100.00 | 9,381,000 |
| | | | | Total | \$16,593,041 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | <u>Amount</u> | Per <u>Capita⁽²⁾</u> | Percentage of Full <u>Value⁽³⁾</u> |
|--|---------------|------------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$19,235,000 | \$1,931.22 | 3.64% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 35,828,041 | 3,597.19 | 6.79 |

- (1) The District has not incurred any indebtedness since the date of the above table.
- Based on the District's current estimated population of 9,960.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$527,756,106.
- The District expects to deliver \$4,565,000 School District Bonds to DASNY in connection with the refunding of \$4,400,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

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

Capital Project Plans

On November 28, 2017, District voters approved a referendum for a capital project which includes renovations and improvements to the High School, Middle School and Elementary School; demolition of the existing bus garage and construction of a new bus maintenance facility on the same site; and construction of an approximately 1,500 square foot maintenance storage facility at the Middle School, including for each, related site improvements, original furnishings, fixtures and equipment, architectural fees, and all other costs incidental to such work at a total estimated cost not to exceed \$28,242,000 and obtain the necessary funds by using \$1,000,000 from the District's Capital Reserve, \$1,400,000 of available funds and serial bonds in the amount of \$25,842,000. Borrowings for the project will occur upon approval from the State Education Department and as the project's cash flow needs warrant.

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.

Solvay Union Free School District

https://emma.msrb.org/ES1069761-ES835171-ES1236199.pdf

Base CUSIP: 834430

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

Real Estate Property Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 1st to October 31st. On or about November 15th, uncollected taxes are returnable to the County of Onondaga for collection. The District receives this amount from said 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Camillus | \$16,844,649 | \$17,008,197 | \$16,892,709 | \$17,066,395 | \$17,158,760 |
| Geddes | 425,261,026 | 449,972,729 | 453,691,864 | 455,349,085 | 459,537,611 |
| Total Assessed Valuation | \$442,105,675 | \$466,980,926 | \$470,584,573 | \$472,415,480 | \$476,696,371 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Camillus | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Geddes | 93.00 | 93.00 | 92.00 | 92.00 | 90.00 |
| Taxable Full | | | | | |
| Valuation | \$474,114,569 | \$500,849,841 | \$510,036,039 | \$512,011,053 | \$527,756,106 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$10,379,207 | \$11,409,805 | \$11,759,025 | \$11,890,917 | \$12,147,683 |
| % Uncollected When Due ⁽¹⁾ | 6.14% | 6.55% | 6.00% | 6.16% | 6.5% |

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

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> ⁽¹⁾ | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|--|------------------------------|---|
| 2013-2014 | \$12,471,704 | \$28,220,451 | 44.19% |
| 2014-2015 | 14,449,432 | 30,624,802 | 47.18 |
| 2015-2016 | 14,814,074 | 31,331,273 | 47.28 |
| 2016-2017 | 15,130,491 | 31,757,546 | 47.64 |
| 2017-2018 (Budgeted) | 15,744,900 | 33,427,500 | 47.10 |
| 2018-2019 (Proposed) | 15,182,935 | 33,350,000 | 45.53 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | TRS |
|----------------------|------------|-------------|
| 2013-2014 | \$532,665 | \$1,706,056 |
| 2014-2015 | 473,188 | 1,945,454 |
| 2015-2016 | 455,265 | 1,486,252 |
| 2016-2017 | 420,000 | 1,275,000 |
| 2017-2018 (Budgeted) | 500,000 | 1,625,000 |
| 2018-2019 (Proposed) | 500,000 | 1,550,000 |

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

GASB and OPEB

The District contracted with Questar III BOCES – Hooker & Holcombe to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2017, 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 \$47,081,975. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$47,081,975. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$16,167,558. The District's annual OPEB expense was \$3,430,009 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,199,144 to the Plan for the fiscal year ending June 30, 2017 to 240 employees, resulting in a net increase to its unfunded OPEB obligation of \$2,230,865, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$18,398,423. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$1,397,019 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$2,271,349 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.

| Fiscal <u>Year</u> | Existing Debt Service | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|--------------------------|----------------------------|------------------------------|
| 2017-2018 | \$3,497,450 | - | \$3,497,450 |
| 2018-2019 | 2,565,963 | \$463,924 | 3,029,887 |
| 2019-2020 | 2,583,688 | 463,781 | 3,047,469 |
| 2020-2021 | 2,459,194 | 461,531 | 2,920,725 |
| 2021-2022 | 1,997,094 | 458,781 | 2,455,875 |
| 2022-2023 | 1,986,300 | 455,531 | 2,441,831 |
| 2023-2024 | 466,625 | 456,781 | 923,406 |
| 2024-2025 | 350,500 | 457,281 | 807,781 |
| 2025-2026 | 227,200 | 457,031 | 684,231 |
| 2026-2027 | 225,000 | 461,031 | 686,031 |
| 2027-2028 | 225,750 | 454,031 | 679,781 |
| 2028-2029 | 226,000 | 456,531 | 682,531 |
| 2029-2030 | 225,750 | 463,031 | 688,781 |
| 2030-2031 | - | 463,281 | 463,281 |
| 2031-2032 | - | 457,531 | 457,531 |
| 2032-2033 | = | 76,031 | 76,031 |
| 2033-2034 | = | 77,531 | 77,531 |

Historical Disclosure Compliance

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

• The District timely filed its Annual Financial Information and Operating Data for the fiscal year ending June 30, 2014; however, the section entitled "Major Employers" was erroneously not included. There were no significant changes to the major employers from the prior year that would have had any major impact on the District's finances. The list of major employers and event notice was submitted to EMMA on April 20, 2018.

The information contained under this subheading "Historical Disclosure Compliance" does not constitute operating data and annual financial information for purposes of DASNY's continuing disclosure agreement.

APPENDIX C-49 DESCRIPTION OF SOUTH COLONIE CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-49 a brief description of the South Colonie Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has a land area of approximately 28 square miles and is located in upstate New York in western Albany County. A portion of the District overlaps into the County of Schenectady.

The District is adjacent to the City of Albany, one mile southeast of the City of Schenectady and two miles west of the City of Troy. The District is an integral part of the area known as the Capital District, or Tri-City area, which includes the Cities of Albany, Schenectady and Troy, which has an aggregate population of approximately 800,000.

Major expressways serving the District include the New York State Thruway #90 and Interstate routes #787 and #87. Amtrak provides rail passenger service from a station located in nearby Rensselaer. Conrail provides freight service on two lines which pass by adjacent to the District. Air transportation is available at the Albany International Airport where several major airlines and various commuter lines provide service. Gas and electric services are provided by National Grid. Sewer and water services are available to residents in most areas by municipalities located in the District.

The District is primarily residential and commercial in nature. Employment opportunities are afforded residents in many commercial and retail businesses in the District, the State government in Albany, and by the General Electric Company and other industries in the Albany-Schenectady-Troy metropolitan area. There are currently five residential subdivisions in various stages of planning and completion in the Town of Colonie. Expansion of the Afrim Sports Complex is currently underway, which involves the construction of a Dome (86,400 sq. ft.) and two buildings (combined 12,900 sq. ft.).

Several higher educational facilities are located nearby. The State University of New York at Albany has a degree enrollment of over 15,000 students in a wide variety of disciplines. Union University includes Union College in Schenectady, among the oldest liberal arts and engineering colleges in the country, and colleges of medicine, law and pharmacy in Albany, as well as the Dudley Observatory. Troy is the home of Rensselaer Polytechnic Institute (RPI). Other colleges in the Capital District include Siena, Skidmore, Russell Sage and St. Rose. Supplementing these schools are several two-year colleges which offer technical, agricultural and business courses.

Population

The current estimated population of the District is 39,835. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|-----------------------------|----------------------|------------------|
| State of New York | Municipal Government | 50,000 |
| St. Peter's Health Partners | Healthcare | 12,500 |
| Albany Medical Center | Healthcare | 9,000 |
| Golub Co. (Price Chopper) | Retail & Restaurants | 8,500 |
| United State Government | Government | 8,000 |

Five Largest Taxpayers

| <u>Name</u> | Type | Taxable Assessed Valuation |
|--------------------------|-------------------|-------------------------------|
| KRE Colonie Owner, LLC | Shopping Center | \$65,000,000 |
| National Grid | Utilities | 34,952,745 |
| Northway Mall Properties | Shopping Center | 22,350,000 |
| Picotte Development Co. | Office Buildings | 17,000,000 |
| Sand Creek Associates | Apartment Complex | 15,013,400 |

The total estimated taxable assessed valuation of the top **ten (10)** taxpayers represents approximately 7.9% of the tax base of the District.

Unemployment Rate Statistics

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

| | Year Average | | | | |
|--------------------|--------------|-------------|-------------|-------------|-------------|
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Albany County | 6.0% | 4.9% | 4.3% | 4.0% | 4.2% |
| Schenectady County | 6.7 | 5.3 | 4.7 | 4.3 | 4.4 |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | • | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|----------------|-------|--------------------------|
| K-12 | 4,968 | 4,865 | 4,909 | 4,932 | 4,883 | 4,777 | 4,817 |

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.

| Number of Employees | Bargaining Unit | Contract Expiration Date |
|------------------------|---|---------------------------------|
| 433 | South Colonie Teachers' Association | June 30, 2019 |
| 60 | South Colonie Teachers' Association – Teaching Assistants | June 30, 2020 |
| 221 | South Colonie Civil Service Employees' Association | June 30, 2019 |
| 10 | United Public Service Employees | June 30, 2019 |
| (1) | School Alliance of Substitutes in Education | June 30, 2021 |
| 19 | South Colonie Administrators' Association | June 30, 2020 |
| 17 | South Colonie Support Staff Supervisors | June 30, 2019 |
| 114 | Teamsters Local 294 | June 30, 2021 |
| 7 | Confidential Employees | June 30, 2019 |
| 4 | South Colonie District Office Administrators | No End Date |

Presently on the District's "On-Call" list of 799 total substitutes: 336 certified teachers and 463 uncertified teachers.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018 (1)

| Full Valuation of Taxable Real Property | \$3,920,519,516 392,051,952 |
|--|--------------------------------|
| Gross Indebtedness ⁽²⁾ | \$26,712,808 0 |
| Total Net Indebtedness | \$26,712,808 |
| Net Debt Contracting Margin | \$365,339,144 |
| Percentage of Debt Contracting Power Exhausted | 6.81% |

- (1) The District has not incurred any indebtedness since the date of this table.
- Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$10,940,000 School District Bonds to DASNY in connection with the refunding of \$13,010,000 of the District's outstanding bond anticipation notes. 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.
- 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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding Indebtedness ⁽¹⁾ | Exclusions(2) | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-------------|--|---------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Albany | \$281,817,942 | \$0 | \$281,817,942 | 14.49% | \$40,835,420 |
| Schenectady | 81,627,000 | 0 | 81,627,000 | 3.92 | 3,199,778 |
| Town of: | | | | | |
| Colonie | 102,465,502 | 40,500,802 | 61,964,700 | 39.39 | 24,407,895 |
| Guilderland | 16,437,460 | 6,662,678 | 9,774,782 | 0.06 | 5,865 |
| Niskayuna | 13,908,410 | 7,079,004 | 6,829,406 | 15.26 | 1,042,167 |
| Village of: | | | | | |
| Colonie | 0 | 0 | 0 | 100.00 | 0 |
| | | | | Total | \$69,491,126 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018 (1)

| | | | Percentage |
|--|---------------|-----------------------------|----------------------|
| | | Per | of Full |
| | Amount | <u>Capita⁽²⁾</u> | Value ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ | \$26,712,808 | \$670.59 | 0.68% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 96,203,934 | 2,415.06 | 2.45 |

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

Cash Flow Borrowing

The District has not issued Tax Anticipation Notes or Revenue Anticipation Notes since the 2003-2004 fiscal year and does not expect to issue such notes in the current fiscal year.

⁽²⁾ Sewer and water debt.

Based on the District's current estimated population of 39,835.

Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$3,920,519,516.

⁽⁴⁾ The District expects to deliver \$10,940,000 School District Bonds to DASNY in connection with the refunding of \$13,010,000 of the District's outstanding bond anticipation notes. 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.

Capital Project Plans

On October 21, 2014, the voters of the District approved a \$13.8 million capital project for the improvements to District buildings and upgrades to the District's technology infrastructure for Phases I and II. The project passed by a vote of 610-186 (77%). The project is anticipated to be funded at no increased taxpayer cost due to debt retirement.

This referendum covers the first two phases of what the District anticipates to be a four-phase capital plan with work expected to end on or around 2022. On November 14, 2017, the voters of the District approved \$11.0 million for Phases III and IV of the capital project. The project passed by a vote of 516-166 (76%). The project costs of Phase III and IV are not yet determined as work will not begin until Summer 2020 (Phase III) and Summer 2022 (Phase IV).

On May 15, 2018, the qualified voters of the District will vote on a proposition for \$1,072,500 for the purchase of six 66-passenger buses, one 24-passenger wheelchair accessible bus, one 36-passenger buses, one 16-passenger bus, and one 6-passenger bus.

A \$300,000 inter-fund transfer to the Capital Fund was approved in the 2017-2018 fiscal year budget to be used to replace the District office roof and to address other maintenance needs.

Other than as stated above and the issuance of the School District Bonds, the District has no other authorized projects, nor any that are contemplated 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.

South Colonie Central School District https://emma.msrb.org/ES1054666-ES823872-ES1225050.pdf

Base CUSIP: 837469

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 penalty is charged from October 2nd to November 1st. On or about November 15th, uncollected taxes are returnable to the Counties for collection. The District receives this amount from said Counties prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the Counties.

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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Towns of: | | | | | |
| Colonie | \$2,308,576,902 | \$2,316,340,023 | \$2,331,543,403 | \$2,323,470,881 | \$2,341,465,914 |
| Niskayuna | 378,984,039 | 387,939,617 | 390,785,652 | 394,244,577 | 396,590,871 |
| Guilderland | 2,397,249 | 2,311,624 | 2,314,560 | 2,211,392 | 2,212,431 |
| Total Assessed | | | | | |
| Valuation | \$2,689,958,190 | \$2,706,591,264 | \$2,724,643,615 | \$2,719,926,850 | \$2,740,269,216 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Towns of: | | | | | |
| Colonie | 70.25% | 68.50% | 67.75% | 67.50% | 66.50% |
| Niskayuna | 107.71 | 107.95 | 106.89 | 100.00 | 100.00 |
| Guilderland | 92.00 | 90.00 | 88.00 | 88.00 | 75.58 |
| Taxable Full | | | | | |
| Valuation | \$3,640,692,117 | \$3,743,456,477 | \$3,809,618,741 | \$3,838,936,605 | \$3,920,519,516 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$59,990,362 | \$61,677,487 | \$62,303,307 | \$62,821,416 | \$62,084,073 |
| % Uncollected When Due(1) | 3.22% | 3.53% | 3.17% | 3.33% | 3.39% |

⁽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 payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> (1) | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|--------------------------------|-------------------------------|------------------------------|---|
| 2013-2014 | \$20,292,690 | \$90,587,409 | 22.40% |
| 2014-2015 | 20,987,442 | 93,271,050 | 22.50 |
| 2015-2016 | 22,190,492 | 95,459,066 | 23.25 |
| 2016-2017 | 23,185,812 | 97,183,565 | 23.86 |
| 2017-2018 (Budgeted) | 22,927,492 | 97,436,913 | 23.53 |
| 2018-2019 (Estimated Proposed) | 23,282,361 | 97,870,901 | 23.79 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year, and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|--------------------------------|-------------|-------------|
| 2013-2014 | \$2,379,439 | \$5,061,041 |
| 2014-2015 | 2,120,334 | 6,569,084 |
| 2015-2016 | 1,969,125 | 7,190,636 |
| 2016-2017 | 1,657,027 | 5,571,341 |
| 2017-2018 (Budgeted) | 1,636,175 | 4,400,458 |
| 2018-2019 (Estimated Proposed) | 1,677,626 | 5,018,512 |

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

GASB and OPEB

The District contracted with the Capital Region BOCES to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of July 1, 2016, the most recent actuarial valuation date and financial data as of June 30, 2017, 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 \$131,590,678. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$131,590,678. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$35,379,032. The District's annual OPEB expense was \$9,938,018 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$4,925,172 to the Plan for the fiscal year ending June 30, 2017, resulting in a net increase to its unfunded OPEB obligation of \$5,012,846, for the fiscal year ending June 30, 2017 for a total net unfunded OPEB obligation of \$40,391,878. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$2,377,944 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$3,975,791 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$3,023,238 | _ | \$3,023,238 |
| 2018-2019 | 3,024,188 | - | 3,024,188 |
| 2019-2020 | 3,015,888 | \$1,189,731 | 4,205,619 |
| 2020-2021 | 3,014,888 | 1,188,250 | 4,203,138 |
| 2021-2022 | 1,007,088 | 1,198,625 | 2,205,713 |
| 2022-2023 | 1,009,938 | 1,192,125 | 2,202,063 |
| 2023-2024 | 376,038 | 1,189,000 | 1,565,038 |
| 2024-2025 | 375,788 | 1,193,875 | 1,569,663 |
| 2025-2026 | 376,188 | 1,191,625 | 1,567,813 |
| 2026-2027 | 375,463 | 1,187,375 | 1,562,838 |
| 2027-2028 | 374,413 | 1,186,000 | 1,560,413 |
| 2028-2029 | 372,600 | 1,187,250 | 1,559,850 |
| 2029-2030 | - | 1,186,000 | 1,186,000 |
| 2030-2031 | - | 1,187,125 | 1,187,125 |
| 2031-2032 | - | 790,625 | 790,625 |
| 2032-2033 | - | 343,375 | 343,375 |

APPENDIX C-50 DESCRIPTION OF SPENCERPORT CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-50 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 23,750. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | Type | Employees |
|-------------------------------------|------------------|------------------|
| NexPress | Digital Printing | 925 |
| Spencerport Central School District | Public Education | 772 |
| Monroe-Orleans BOCES II | Public Education | 753 |
| ACM Medical Labs, Inc. | Medical Testing | 321 |
| FedEx | Delivery Service | 250 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|--------------------------------------|---------------------|----------------|
| Heidelberg Americas | Manufacturer | \$44,936,200 |
| Rochester Gas & Electric Corporation | Utility | 34,737,756 |
| Gallina Development Corporation | Light Industrial | 11,247,700 |
| CalEast NAT City Stations LLC | Commercial | 8,631,900 |
| Morgan Hickory Hollow LLC | Residential/Offices | 6,000,000 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 8.88% 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.

| Year . | Average |
|--------|---------|
|--------|---------|

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|
| Monroe County | 7.0% | 5.8% | 5.1% | 4.7% | 5.0% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.6 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | 2017-18 | · · | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|---------|-------|--------------------------|
| K-12 | 3,705 | 3,678 | 3,597 | 3,584 | 3,638 | 3,621 | 3,626 |

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.

| Number of Employees | Bargaining Unit | Contract Expiration Date |
|------------------------|-----------------------------------|---------------------------------------|
| 383 | | · · · · · · · · · · · · · · · · · · · |
| | Spencerport Teachers' Association | June 30, 2018 ⁽¹⁾ |
| 112 | Spencerport Paraprofessional Unit | June 30, 2018 ⁽¹⁾ |
| 62 | Transportation Association | June 30, 2020 |
| 50 | Plant Operations & Maintenance | June 30, 2019 |
| 36 | Office Personnel Association | June 30, 2018 ⁽¹⁾ |
| 35 | Non-Union Employees | None |
| 31 | School Lunch Association | June 30, 2019 |
| 30 | Teaching Assistants' Association | June 30, 2018 ⁽¹⁾ |
| 24 | Administrators' Association | June 30, 2020 |
| 5 | Mechanics' Association | June 30, 2019 |
| 4 | Cabinet Members | None |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$1,491,745,273 149,174,527 |
|---|--------------------------------|
| Gross Indebtedness ⁽²⁾ | \$45,740,000 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | \$45,740,000 |
| Net Debt Contracting Margin | \$103,434,527 |
| Percentage of Debt Contracting Power Exhausted | 31.31% |

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

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,

Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$8,660,000 School District Bonds to DASNY in connection with the refunding of \$6,000,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

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.

comprised of bonds and bond anticipation notes, is listed as of the close of the 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding <u>Indebtedness</u> (1) | Exclusions(2) | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-------------|-------------------------------------|---------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Monroe | \$809,641,145 | \$0 | \$809,641,145 | 3.65% | \$29,551,902 |
| Towns of: | | | | | |
| Gates | 0 | 0 | 0 | 20.84 | 0 |
| Greece | 30,159,000 | 0 | 30,159,000 | 3.99 | 1,203,344 |
| Ogden | 0 | 0 | 0 | 71.42 | 0 |
| Parma | 48,750 | 0 | 48,750 | 18.70 | 9,116 |
| Village of: | | | | | |
| Spencerport | 5,025,000 | 0 | 5,025,000 | 100.00 | 5,025,000 |
| | | | | Total | \$35,789,362 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | | Per | Percentage of Full |
|--|---------------|-----------------------|-----------------------------|
| | Amount | Capita ⁽²⁾ | <u>Value</u> ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ | \$45,740,000 | \$1,925.89 | 3.07% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 81,529,362 | 3,432.82 | 5.47 |

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

Cash Flow Borrowing

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

⁽²⁾ Information not available.

Based on the District's current estimated population of 23,750.

Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$1,491,745,273.

The District expects to deliver \$8,660,000 School District Bonds to DASNY in connection with the refunding of \$6,000,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Capital Project Plans

On May 15, 2018, the District will seek voter approval to undertake certain capital improvements consisting of construction and reconstruction of existing school buildings and facilities and site and athletic field improvements, at an estimated maximum cost of \$12,385,000. The District intends to use \$3,000,000 of Capital Reserve Funds for 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.

Spencerport Central School District https://emma.msrb.org/ER1102184-ER862131-ER1262826.pdf 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 1st and may be paid through September 30th with no penalty. For payments made in October, a 2% interest penalty is added.

Option B – Installment Payments – Taxes under Option B are due in three equal payments to be made on September 15th, October 15th and November 15th. 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.

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

School taxes which remain unpaid after November 15th are relevied on Town and County tax bills. 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|----------------------------|---------------------|-----------------|-----------------|-----------------|
| Towns of: | | | | | |
| Gates | \$323,368,416 | \$325,743,716 | \$328,028,933 | \$329,519,341 | \$328,560,361 |
| Greece | $182,796,380^{(1)}$ | $189,980,186^{(1)}$ | 195,056,967 | 199,846,240 | 202,036,553 |
| Ogden | 753,193,483 ⁽¹⁾ | 779,247,732(1) | 787,004,050 | 790,904,257 | 802,014,685 |
| Parma | 151,010,973 | 152,015,074 | 156,673,588 | 156,958,895 | 159,133,674 |
| Total Assessed Valuation | \$1,410,369,252 | \$1,446,986,708 | \$1,466,763,538 | \$1,477,228,733 | \$1,491,745,273 |

⁽¹⁾ Difference due to townwide revaluation.

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</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 | \$1,410,369,252 | \$1,446,986,708 | \$1,466,763,538 | \$1,477,228,733 | \$1,491,745,273 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$34,398,180 | \$34,864,593 | \$35,341,109 | \$35,605,560 | \$36,310,634 |
| % Uncollected When Due ⁽¹⁾ | 2.61% | 2.93% | 2.83% | 2.59% | 2.54% |

⁽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 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> ⁽¹⁾ | Total <u>Revenues⁽¹⁾</u> | Revenues Consisting of State Aid (1) |
|----------------------|--|--|--------------------------------------|
| 2013-2014 | \$28,834,305 | \$69,148,875 | 41.70% |
| 2014-2015 | 30,238,534 | 70,879,000 | 42.66 |
| 2015-2016 | 33,339,296 | 74,303,446 | 44.87 |
| 2016-2017 | 35,732,440 | 77,544,563 | 46.08 |
| 2017-2018 (Budgeted) | 35,417,451 | 78,641,491 | 45.04 |
| 2018-2019 (Proposed) | 35,643,808 | 80,616,861 | 44.21 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|-------------|-------------|
| 2013-2014 | \$1,619,632 | \$4,131,887 |
| 2014-2015 | 1,557,499 | 4,528,302 |
| 2015-2016 | 1,355,492 | 3,546,097 |
| 2016-2017 | 1,284,193 | 3,316,171 |
| 2017-2018 (Budgeted) | 1,327,258 | 2,686,182 |
| 2018-2019 (Proposed) | 1,323,253 | 3,002,459 |

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

GASB and OPEB

The District contracted with The Burke Group to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2016, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$104,608,410. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$104,608,410. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$20,082,900. The District's annual OPEB expense was \$7,328,396 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$2,654,640 to the Plan for the fiscal year ending June 30, 2017 to 960 employees, resulting in a net increase to its unfunded OPEB obligation of \$4,673,756, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$24,756,656. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 financial statements. The District has reserved \$24,756,656 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 \$371,661 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$3,161,316 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|---------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$6,990,536 | - | \$6,990,536 |
| 2018-2019 | 6,066,373 | \$1,080,117 | 7,146,490 |
| 2019-2020 | 5,712,305 | 1,077,500 | 6,789,805 |
| 2020-2021 | 5,698,105 | 1,079,000 | 6,777,105 |
| 2021-2022 | 5,677,355 | 1,078,750 | 6,756,105 |
| 2022-2023 | 2,592,793 | 996,750 | 3,589,543 |
| 2023-2024 | 1,620,293 | 952,000 | 2,572,293 |
| 2024-2025 | 787,143 | 657,750 | 1,444,893 |
| 2025-2026 | 786,940 | 656,500 | 1,443,440 |
| 2026-2027 | 784,860 | 654,250 | 1,439,110 |
| 2027-2028 | 640,850 | 651,000 | 1,291,850 |
| 2028-2029 | 638,150 | 651,750 | 1,289,900 |
| 2029-2030 | 515,000 | 656,250 | 1,171,250 |
| 2030-2031 | - | 654,250 | 654,250 |
| 2031-2032 | - | 656,000 | 656,000 |
| 2032-2033 | - | 656,250 | 656,250 |

APPENDIX C-51 DESCRIPTION OF STARPOINT CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-51 a brief description of the Starpoint 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, founded in 1956, encompasses approximately 120 square miles in Niagara County and is located approximately twenty miles north of Buffalo. The District includes portions of the Towns of Cambria, Lockport, Pendleton, Royalton and Wheatfield.

The District is primarily suburban-residential in character and is comprised of predominantly single-family, owner occupied dwellings. There are virtually no industrial or commercial centers, with the exception of a limited commercial strip development in the Town of Wheatfield.

Transportation to and from the District is provided by a network of highways, New York State Routes #31, #429, #425 and #270, as well as the Lockport Road. The main railroad serving the District is the Niagara Falls/Rochester branch of ConRail. Air service is provided by the Buffalo-Niagara International Airport.

Electricity and natural gas are supplied to both residential and commercial consumers by the National Grid and the New York State Electric & Gas Company, respectively. Telephone communications for the area are provided by Verizon New York Inc. Water service is provided by the Niagara County Water District and various town water districts, supported by user charges. Sewer service is provided to select portions of the District by the Niagara County Sewer District No. 1 and is supported by user charges. Weekly curbside service handles all solid waste disposal for the District. There is no solid waste disposal site within the District.

Police protection is provided by the Niagara County Sheriff's Department and New York State Police. Fire and ambulance protection is provided by the Cambria, Lockport, Wendelville, Rapids and Shawnee Volunteer Fire Companies.

Population

The current estimated population of the District is 17,475. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|---|------------------------|------------------|
| Orleans-Niagara BOCES | Public Education | 660 |
| Niagara Community College | Higher Education | 646 |
| STA of NY, Inc (DBA Ridge Road Express) | Public Transportation | 500 |
| Starpoint Central School District | Public Education | 362 |
| Yahoo Data Center | Information Technology | 250 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|-------------------------------------|-------------|-----------------------|
| National Grid | Utility | \$40,626,955 |
| Tennessee Gas Pipeline Co. | Fuel | 36,880,854 |
| Empire State Pipeline | Fuel | 17,781,462 |
| New York State Electric & Gas Corp. | Utility | 12,681,474 |
| National Fuel | Utility | 6,390,137 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 8.76% 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 Niagara County.

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|
| Niagara County | 8.4% | 7.0% | 6.2% | 5.8% | 6.2% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.6 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | 2017-18 | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|---------|--------------------------|--------------------------|
| K-12 | 2,633 | 2,652 | 2,664 | 2,702 | 2,792 | 2,903 | 2,990 |

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|---|------------------------------------|
| 244 | Starpoint Teachers' Association | June 30, 2022 |
| 55 | Starpoint Clerical & Teachers' Aides | June 30, 2021 |
| 38 | Building & Grounds | June 30, 2021 |
| 9 | Starpoint Principals' & Pupil Personnel Association | June 30, 2023 |
| 8 | Starpoint Registered Nurses' Association | June 30, 2023 |
| 1 | Superintendent | June 30, 2019 |
| 1 | Assistant Superintendent | June 30, 2020 |
| 1 | Director of Administrative Services | June 30, 2022 |

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property | \$1,439,496,663 143,949,666 |
|--|--------------------------------|
| Gross Indebtedness ⁽²⁾ | \$36,075,000 0 |
| Total Net Indebtedness | \$36,075,000 |
| Net Debt Contracting Margin | \$107,874,666 |
| Percentage of Debt Contracting Power Exhausted | 25.06% |

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

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding Indebtedness ⁽¹⁾ | Exclusions ⁽²⁾ | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-------------|--|---------------------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Niagara | \$92,940,999 | \$0 | \$92,940,999 | 13.98% | \$12,993,152 |
| Towns of: | | | | | |
| Cambria | 1,231,000 | 0 | 1,231,000 | 83.22 | 1,024,438 |
| Lockport | 17,238,380 | 0 | 17,238,380 | 25.02 | 4,313,043 |
| Pendleton | 55,000 | 0 | 55,000 | 100.00 | 55,000 |
| Royalton | 3,873,000 | 0 | 3,873,000 | 0.13 | 5,035 |
| Wheatfield | 8,588,516 | 0 | 8,588,516 | 19.96 | 1,714,268 |
| | | | | Total | \$20,104,936 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

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 \$11,755,000 School District Bonds to DASNY in connection with the refunding of \$13,875,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.

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.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | | Per | Percentage of Full |
|--|---------------|-----------------------|-----------------------------|
| | <u>Amount</u> | Capita ⁽²⁾ | <u>Value</u> ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ | \$36,075,000 | \$2,064.38 | 2.51% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 56,179,936 | 3,214.87 | 3.90 |

- (1) The District has not incurred any indebtedness since the date of the above table.
- Based on the District's current estimated population of 17,475.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$1,439,496,663.
- (4) The District expects to deliver \$11,755,000 School District Bonds to DASNY in connection with the refunding of \$13,875,000 of the District's outstanding bond anticipation notes. 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, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

After the issuance of the School District Bonds, the District will have a remaining \$851,820 bond authorization pursuant to a bond resolution adopted by the Board of Education of the District on February 9, 2015 for the construction of alterations and improvements to all District school Buildings and sites. This is the project for which the School District Bonds are to be 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.

Starpoint Central School District

https://emma.msrb.org/ER1093167-ER855550-ER1256181.pdf

Base CUSIP: 855566

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 30, no penalty is imposed. There is a 2% penalty if paid by November 1st. As of November 2, a list of all unpaid taxes is given to the County for relevy on County/Town tax rolls. The District is reimbursed by the County 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Towns of: | | | | | |
| Cambria | \$249,792,728 | \$252,990,104 | \$254,380,827 | \$257,168,766 | \$314,041,331(1) |
| Lockport(2) | 221,271,582 | 231,041,927 | 247,319,702 | 256,815,970 | 264,895,653 |
| Pendleton | 459,673,682 | 466,846,875 | 477,532,841 | 496,024,135 | 504,389,868 |
| Royalton | 427,800 | 427,200 | 427,200 | 427,200 | 427,200 |
| Wheatfield | 150,104,424 | 154,489,727 | 155,887,171 | 158,227,032 | 160,964,949 |
| Total Assessed Valuation | \$1,081,270,216 | \$1,105,795,833 | \$1,135,547,741 | \$1,168,663,103 | \$1,244,719,001 |

Difference due to townwide revaluation.

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Towns of: | | | | | |
| Cambria | 100.00% | 99.00% | 94.00% | 90.00% | 100.00% |
| Lockport | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Pendleton | 96.00 | 94.00 | 90.00 | 88.00 | 84.00 |
| Royalton | 92.00 | 100.00 | 100.00 | 98.00 | 90.00 |
| Wheatfield | 70.00 | 69.00 | 65.00 | 63.00 | 62.00 |
| Taxable Full | | | | | |
| Valuation | \$1,164,790,953 | \$1,207,558,452 | \$1,288,783,264 | \$1,357,812,769 | \$1,439,496,663 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$25,813,272 | \$26,510,202 | \$27,195,846 | \$27,738,250 | \$28,319,504 |
| % Uncollected When Due ⁽¹⁾ | 4.31% | 3.88% | 4.26% | 3.75% | 3.44% |

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

⁽²⁾ The Town participates in a yearly townwide revaluation.

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 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> ⁽¹⁾ | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|--|------------------------------|---|
| 2013-2014 | \$18,275,966 | \$45,235,526 | 40.40% |
| 2014-2015 | 18,622,478 | 46,224,678 | 40.29 |
| 2015-2016 | 20,092,703 | 48,315,953 | 41.59 |
| 2016-2017 | 20,695,280 | 49,806,577 | 41.55 |
| 2017-2018 (Budgeted) | 21,993,512 | 51,148,983 | 43.00 |
| 2018-2019 (Proposed) | 23,060,012 | 56,105,468 | 41.10 |

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|-------------|
| 2013-2014 | \$753,514 | \$2,736,840 |
| 2014-2015 | 754,309 | 3,132,509 |
| 2015-2016 | 671,289 | 2,489,046 |
| 2016-2017 | 578,468 | 2,327,719 |
| 2017-2018 (Budgeted) | 650,243 | 2,392,474 |
| 2018-2019 (Proposed) | 650,495 | 2,610,001 |

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

GASB and OPEB

The District contracted with BPAS to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of July 1, 2016, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$11,432,815. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$11,432,815. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$1,924,732. The District's annual OPEB expense was \$1,262,281. The District is on a pay-as-you-go funding basis and paid \$680,838 to the Plan for the fiscal year ending June 30, 2017 to 350 employees, resulting in a net increase to its unfunded OPEB obligation of \$581,443, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$2,506,175. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$1,256,318 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$1,974,631 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$5,186,281 | _ | \$5,186,281 |
| 2018-2019 | 5,177,925 | \$1,253,871 | 6,431,796 |
| 2019-2020 | 5,139,725 | 1,243,750 | 6,383,475 |
| 2020-2021 | 1,027,800 | 1,239,750 | 2,267,550 |
| 2021-2022 | 1,017,400 | 1,234,250 | 2,251,650 |
| 2022-2023 | 1,021,000 | 1,232,250 | 2,253,250 |
| 2023-2024 | 858,000 | 1,228,500 | 2,086,500 |
| 2024-2025 | - | 1,113,000 | 1,113,000 |
| 2025-2026 | - | 1,111,250 | 1,111,250 |
| 2026-2027 | - | 1,117,750 | 1,117,750 |
| 2027-2028 | - | 1,117,000 | 1,117,000 |
| 2028-2029 | - | 1,114,250 | 1,114,250 |
| 2029-2030 | - | 1,114,500 | 1,114,500 |
| 2030-2031 | = | 1,117,500 | 1,117,500 |
| 2031-2032 | - | 1,118,000 | 1,118,000 |
| 2032-2033 | - | 546,000 | 546,000 |

⁽¹⁾ Schedule does not include remaining payments of \$2,388,167 due under an energy performance contract.

APPENDIX C-52 DESCRIPTION OF TICONDEROGA CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-52 a brief description of the Ticonderoga 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 approximate land area of 170 square miles, lies 80 miles north of Albany and 50 miles north of Saratoga Springs, in the eastern sector of the Adirondack Park. The District includes most of the Town of Ticonderoga in Essex County and most of the Town of Hague in Warren County (each a "Town" and collectively the "Towns").

Major highways within or in close proximity to the District include Interstate Route #87, which extends north to Canada and south to New York City, and New York State Routes #9N, #8 and #22. Air transportation via the Saranac Lake Airport is provided by various national, commuter and regional airlines. Electric service is provided by the National Grid Power Corporation. Sewer and water services are provided in the District by the municipalities located in the District. Police protection is provided by the respective Town, County and State agencies. Fire protection is provided by various volunteer units within the District. Moses Ludington Hospital has begun a new \$9,100,000 renovation which is expected to be complete and operational by April 2018.

Population

The current estimated population of the District is 5,515. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|---------------------------------|------------------|------------------|
| Moses Ludington Hospital | Health Care | 2,330 |
| The International Paper Company | Business | 625 |
| Wal-Mart | Retail | 225 |
| Ticonderoga Central Schools | Public Education | 225 |
| Silver Bay YMCA | YMCA | 27 |

Five Largest Taxpayers

| <u>Type</u> | Full Valuation |
|-----------------|---|
| Manufacturing | \$79,963,500 |
| Forest Preserve | 60,276,990 |
| Utility | 13,661,577 |
| Utility | 8,600,000 |
| Retail | 7,726,000 |
| | Manufacturing Forest Preserve Utility Utility |

The total estimated full valuation of the top ten (10) taxpayers represents approximately 16.80% of the tax base of the District.

Unemployment Rate Statistics

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

| Year Av | erage |
|---------|-------|
|---------|-------|

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|
| Essex County | 8.3% | 6.8% | 6.0% | 5.3% | 5.6% |
| Warren County | 8.1 | 6.5 | 5.5 | 5.2 | 5.3 |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | 2013-14 | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|---------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 851 | 830 | 804 | 820 | 820 | 803 | 807 |

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|---|---------------------------------|
| 110 | Ticonderoga Central School District Teachers' Association | June 30, 2022 |
| 56 | Ticonderoga Central School District Support Services' Association | June 30, 2021 |

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$1,106,250,705 110,625,070 |
|---|--------------------------------|
| Gross Indebtedness ⁽²⁾ | \$29,485,000 0 |
| Total Net Indebtedness | |
| Net Debt Contracting Margin | \$81,140,070 26.65% |

- (1) The District has not incurred any indebtedness since the date of this table.
- 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 \$6,380,000 School District Bonds to DASNY in connection with the refunding of \$4,000,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- 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 2016 fiscal year of the respective municipalities unless otherwise noted.

| <u>Unit</u> | Outstanding <u>Indebtedness</u> ⁽¹⁾ | Exclusions ⁽²⁾ | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-----------------|--|---------------------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Essex | \$39,920,000 | \$0 | \$39,920,000 | 7.87% | \$3,141,704 |
| Warren | 38,720,642 | 1,759,931 | 36,960,711 | 5.36 | 1,981,094 |
| Town of: | | | | | |
| Ticonderoga (3) | 10,835,869 | 1,996,329 | 8,839,540 | 98.62 | 8,717,554 |
| Hague | 1,425,000 | 0 | 1,425,000 | 96.79 | 1,379,258 |
| | | | | Total | \$15,219,610 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | | | Percentage |
|--|---------------|-----------------------|----------------------|
| | | Per | of Full |
| | Amount | Capita ⁽²⁾ | Value ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ | \$29,485,000 | \$5,346.32 | 2.67% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 44,704,610 | 8,106.00 | 4.04 |

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

⁽²⁾ Sewer and water debt.

^{(3) 2014} fiscal year data. Data for the 2015 fiscal year and 2016 fiscal year is unavailable.

Based on the District's current estimated population of 5,515.

⁽³⁾ Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$1,106,250,705.

The District expects to deliver \$6,380,000 School District Bonds to DASNY in connection with the refunding of \$4,000,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

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

| Fiscal Year | Amount | Type | <u>Issue Date</u> | Due Date |
|-------------|---------------|-------------|-------------------|-----------------|
| 2013-2014 | \$1,100,000 | RAN | 6/20/2014 | 9/27/2014 |
| 2014-2015 | 1,200,000 | RAN | 6/20/2015 | 9/26/2015 |
| 2015-2016 | N/A | N/A | N/A | N/A |
| 2016-2017 | N/A | N/A | N/A | N/A |
| 2017-2018 | N/A | N/A | N/A | N/A |

The District issued \$1,100,000 of Revenue Anticipation Notes in the 2014 fiscal year and \$1,200,000 in the 2015 fiscal year. The District has not issued any such notes since that time, and does not expect to issue any such notes in the current fiscal year.

Capital Project Plans

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.

Ticonderoga Central School District http://emma.msrb.org/ES1078992-ES842760-ES1243786.pdf Base CUSIP: 886346

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 collected by the School Tax Collector and are payable during the month of September without penalty. Taxes paid in October are subject to a 2% penalty. Unpaid school taxes are returned to the respective County Treasurers in November. All taxes that remain unpaid after the return date in November are re-levied with an additional penalty, together with the State and County taxes, which are due on January 1st. The County Treasurers reimburse the District in full for unpaid taxes prior to the end of the District's fiscal year thus ensuring 100% collection of taxes by the District.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

Assessed Valuation Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | |
|--|---------------|---------------|---------------|---------------|---------------|--|
| Towns of: | | | | | | |
| Ticonderoga | \$522,050,514 | \$522,794,726 | \$525,131,096 | \$524,460,402 | \$524,969,133 | |
| Hague | 440,945,105 | 441,071,420 | 441,547,904 | 442,351,922 | 445,261,684 | |
| Total Assessed Valuation | \$962,995,619 | \$963,866,146 | \$966,679,000 | \$966,812,324 | \$970,230,817 | |
| State Equalization Rates Years Ending June 30, | | | | | | |

| | <u>2014</u> | <u>2015</u> | <u> 2016</u> | 2017 | 2018 |
|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Towns of: | | <u> </u> | | | |
| Ticonderoga | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Hague | 79.20 | 78.50 | 76.60 | 76.60 | 76.60 |
| Taxable Full | | | | | |
| Valuation | \$1,078,799,384 | \$1.084.669.146 | \$1.101.564.391 | \$1.101.943.329 | \$1.106.250.705 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$10,316,732 | \$10,922,026 | \$11,143,122 | \$11,270,068 | \$11,276,168 |
| % Uncollected When Due ⁽¹⁾ | 10.23% | 9.64% | 9.19% | 11.26% | 9.10% |

⁽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 2018-2019 fiscal year.

| <u>Fiscal Year</u> | Total <u>State Aid</u> ⁽¹⁾ | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of State Aid(1) |
|----------------------|--|------------------------------|---|
| 2013-2014 | \$6,630,614 | \$18,706,167 | 35.45% |
| 2014-2015 | 6,836,690 | 19,054,064 | 35.88 |
| 2015-2016 | 7,033,682 | 19,515,219 | 36.04 |
| 2016-2017 | 7,168,725 | 19,893,948 | 36.03 |
| 2017-2018 (Budgeted) | 7,585,157 | 20,169,819 | 37.61 |
| 2018-2019 (Proposed) | 8,103,871 | 21,001,368 | 38.58 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2013-2014 | \$321,709 | \$986,760 |
| 2014-2015 | 340,194 | 1,074,257 |
| 2015-2016 | 335,725 | 883,538 |
| 2016-2017 | 271,264 | 813,432 |
| 2017-2018 (Budgeted) | 335,735 | 736,000 |
| 2018-2019 (Proposed) | 334,427 | 757,669 |

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

GASB 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, 2017, 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 \$49,318,874. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$49,318,874. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$25,308,725. The District's annual OPEB expense was \$4,653,951 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,254,913 to the Plan for the fiscal year ending June 30, 2017 to 175 employees and 120 retirees, resulting in a net increase to its unfunded OPEB obligation of \$3,399,039, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$28,707,764. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$508,028 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$1,523,466 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 | Existing Debt | New Debt | Total Debt |
|-------------|----------------|----------------|----------------|
| <u>Year</u> | <u>Service</u> | <u>Service</u> | <u>Service</u> |
| 2017-2018 | \$2,945,347 | - | \$2,945,347 |
| 2018-2019 | 2,973,792 | \$435,017 | 3,408,809 |
| 2019-2020 | 2,973,877 | 663,250 | 3,637,127 |
| 2020-2021 | 2,965,858 | 661,000 | 3,626,858 |
| 2021-2022 | 3,206,264 | 663,000 | 3,869,264 |
| 2022-2023 | 3,197,723 | 659,000 | 3,856,723 |
| 2023-2024 | 3,065,000 | 659,250 | 3,724,250 |
| 2024-2025 | 3,136,250 | 663,500 | 3,799,750 |
| 2025-2026 | 1,434,000 | 661,500 | 2,095,500 |
| 2026-2027 | 1,472,500 | 663,500 | 2,136,000 |
| 2027-2028 | 1,499,250 | 659,250 | 2,158,500 |
| 2028-2029 | 1,524,500 | 659,000 | 2,183,500 |
| 2029-2030 | 1,568,250 | 662,500 | 2,230,750 |
| 2030-2031 | - | 664,500 | 664,500 |
| 2031-2032 | - | 660,000 | 660,000 |
| 2032-2033 | - | 299,250 | 299,250 |

Historical Disclosure Compliance

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

• The District failed to file annual information and/or audited financial statements for the fiscal years ending June 30, 2013, June 30, 2014, June 30, 2015 and June 30, 2016 within 180 days of the end of the fiscal year as required by the continuing disclosure undertaking for the serial bonds issued through DASNY in 2011. The annual information and audited financial statements were submitted to EMMA for the fiscal years ending June 30, 2013, 2014, 2015 and 2016 as follows:

| Fiscal Year Ending | Annual Information | Audited Financial Statements |
|--------------------|--------------------|------------------------------|
| June 30, 2013 | December 31, 2013 | June 5, 2014 |
| June 30, 2014 | October 23, 2014 | June 3, 2015 |
| June 30, 2015 | May 9, 2016 | May 9, 2016 |
| June 30, 2016 | December 27, 2016 | March 31, 2017 |

Event notices regarding the aforementioned was filed with EMMA on June 17, 2014 and September 20, 2017.

The District inadvertently failed to file a material event notice relating to a rating downgrade by Moody's Investors Services on June 18, 2012 as required by its continuing disclosure agreements. Such material event notice has since been filed with EMMA on June 17, 2014.

The District's Annual Information for the fiscal year ending 2015 and the fiscal year ending June 30, 2016 did not include the information of a type contained under the caption "Larger Employers" as it was required to do so under certain of its existing continuing disclosure undertakings. An event notice regarding the aforementioned was filed with EMMA on September 27, 2017.

The District inadvertently failed to file a material event notice relating to a rating upgrade by S&P Global Ratings on October 19, 2017 as required by its continuing disclosure agreements. Such material event notice has since been filed with EMMA on April 23, 2018

The information contained under this subheading "Historical Disclosure Compliance" does not constitute operating data and annual financial information for purposes of DASNY's continuing disclosure agreement.

APPENDIX C-53 DESCRIPTION OF CITY SCHOOL DISTRICT OF THE CITY OF UTICA

There follows in this Appendix C-53 a brief description of the City School District of the City of Utica (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The City of Utica (the "City"), the boundaries of which are coterminous with the boundaries of the District, is located in the central part of the State with a land area of 17 square miles.

The City's principal industries are light manufacturing, electronics, data processing and service industries. Locally owned firms are supplemented by divisions of such nationally known corporations as Lucas Aerospace, Special Metals of Allegheny Ludlum Corporation and West End Brewery, maker of Utica Club and Matts beer.

Major highways serving the City are New York State Routes #5, #8, #12 and #49 as well as the New York State Thruway (I-#90). Interstate Routes #81 and #87 provide limited access north-south with connections via Syracuse and Albany short distances away. The City is also served by the Conrail system with switching facilities.

Population

The current estimated population of the District is 61,255. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|--|--------------------|------------------|
| Oneida Indian Nation | Resort Casino | 4,572 |
| Mohawk Valley Network | Medical facilities | 4,200 |
| Resource Center for Independent Living Inc | Human Services | 1,878 |
| Upstate Cerebral Palsy | Social Services | 1,700 |
| Utica City School District | Education | 1,509 |

Five Largest Taxpayers

| <u>Name</u> | Type | <u>Taxable Assessed</u> <u>Valuation</u> |
|----------------------------|-----------------|---|
| National Grid | Utility | \$47,275,260 |
| Riverside Enterprises, LLC | Shopping Mall | 27,729,887 |
| Verizon | Utility | 6,777,758 |
| AMA Properties, LLC | Shopping Center | 4,524,200 |
| Eton Centers Co. | Shopping Center | 3,950,000 |

The total estimated taxable assessed valuation of the top ten (10) taxpayers represents approximately 9.6% of the tax base of the District.

Unemployment Rate Statistics

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

Year Average

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|
| Oneida County | 7.5% | 6.1% | 5.4% | 4.8% | 5.0% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | 2017-18 | Projected <u>2018-19</u> | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|---------|--------------------------|--------------------------|
| K-12 | 10,135 | 10,072 | 10,120 | 10,370 | 10,496 | 10,500 | 10,500 |

District Employees

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

| Number of <u>Employees</u> | Bargaining Unit | Contract <u>Expiration Date</u> |
|-------------------------------|--|------------------------------------|
| 25 | Utica Administrators' Association | June 30, 2021 |
| 767 | Utica Teachers' Association | June 30, 2021 |
| 11 | Mohawk Valley Building & Construction Trades Council | June 30, 2018 ⁽¹⁾ |
| 91 | Teamsters Local 182 (Custodial) | June 30, 2020 |
| 94 | Teamsters Local 182 (Secretarial/Nursing) | June 30, 2020 |
| 521 | Service Employees International | June 30, 2022 |
| | | |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018 (1)

| | Based on Conventional Equalization <u>Rates</u> | Based On Special Equalization <u>Ratios</u> |
|---|--|--|
| Five Year Average Full Valuation of Taxable Real Property Debt Limit (5% of full valuation) ⁽²⁾ | \$1,536,365,238 \$76,818,262 | \$1,615,716,781 \$80,785,839 |
| Outstanding Indebtedness ⁽³⁾ Inclusions | | |
| Bonds | \$128,245,000 | \$128,245,000 |
| Bond Anticipation Notes | 20,115,000 | 20,115,000 |
| Revenue Anticipation Notes | 10,000,000 | 10,000,000 |
| Total Inclusions | \$158,360,000 | \$158,360,000 |
| Exclusions | | |
| Bonds Previously Refunded | \$0 | \$0 |
| Revenue Anticipation Notes | 10,000,000 | 10,000,000 |
| Appropriations | 6,070,000 | 6,070,000 |
| Total Exclusions | \$16,070,000 | \$16,070,000 |
| Total Net Indebtedness | \$142,290,000 | \$142,290,000 |
| Net Debt Contracting Margin | \$(65,471,738) | \$(61,504,161) |
| Percentage of Debt Contracting Power Exhausted | 185.23% | 176.13% |

⁽¹⁾ The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$9,830,000 School District Bonds to DASNY in connection with the refunding of \$20,115,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

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

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

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding <u>Indebtedness</u> ⁽¹⁾ | Exclusions (2) | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-------------|---|----------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Oneida | \$188,926,689 | \$44,384,844 | \$144,541,845 | 15.29% | \$22,100,448 |
| City of: | | | | | |
| Utica | 70,580,418 | 30,712,226 | 39,868,192 | 100.00 | 39,868,192 |
| | | | | Total | \$61,968,640 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018:

Debt Ratios As of May 1, 2018 (1)

| | | Percentage of Full | |
|--|---------------|-----------------------|----------------------|
| | Amount | Capita ⁽²⁾ | Value ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ | \$158,360,000 | \$2,585,26 | 9.42% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 220,328,640 | 3,596.91 | 13.11 |

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

⁽²⁾ Sewer and water debt.

Based on the District's current estimated population of 61,255.

Based on the District's full value of taxable real estate using the special State equalization rates for 2017-18 of \$1,680,992,380.

The District expects to deliver \$9,830,000 School District Bonds to DASNY in connection with the refunding of \$20,115,000 of the District's outstanding bond anticipation notes. 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 annually issues revenue anticipation notes in anticipation of State aid. The District traditionally has not issued tax anticipation notes in the past; however, the District did issue tax anticipation notes for the fiscal years 2012-13 through and including the 2016-17 fiscal year for cash flow purposes.

A listing of such borrowings for the past five years is shown below.

| Fiscal Year | <u>Amount</u> | <u>Type</u> | <u>Issue Date</u> | Due Date |
|-------------|---------------|-------------|-------------------|------------|
| 2012-2013 | \$ 10,000,000 | RAN | 6/15/2012 | 6/14/2013 |
| 2012-2013 | 1,100,000 | TAN | 12/7/2012 | 12/6/2013 |
| 2013-2014 | 10,000,000 | RAN | 6/14/2013 | 6/13/2014 |
| 2013-2014 | 1,400,000 | TAN | 12/13/2013 | 12/12/2014 |
| 2014-2015 | 10,000,000 | RAN | 6/13/2014 | 6/12/2015 |
| 2014-2015 | 2,100,000 | TAN | 12/19/2014 | 12/11/2015 |
| 2015-2016 | 10,000,000 | RAN | 6/23/2015 | 6/23/2016 |
| 2015-2016 | 2,000,000 | TAN | 12/10/2015 | 12/9/2016 |
| 2016-2017 | 10,000,000 | RAN | 6/23/2016 | 6/23/2017 |
| 2016-2017 | 1,400,000 | TAN | 12/8/2016 | 12/7/2017 |

The District did not find it necessary to issue tax anticipation notes for the 2017-18 fiscal year. The District anticipates having to issue a \$10,000,000 Revenue Anticipation Note this June 2018.

Capital Project Plans

On July 29, 2008, the voters of the District approved an \$187,600,000 capital improvement project. The District plans on using all or a portion of the \$7,035,887 EXCEL (Expanding our Children's Education and Learning) Aid along with their current 98% state building aid ratio to minimize the impact on the taxpayers of the District. To date, the District has issued \$186,565,000 of the total \$187,600,000 obligations authorized under the aforementioned bond resolution. There is currently \$1,035,000 of the authorization that remains to be issued. Bond Anticipation Notes in the amount of \$8,505,000, together with the School District Bonds and \$610,000 of other District funds will be used to redeem the outstanding bond anticipation notes maturing July 20, 2018 and issued for the aforementioned purpose.

On March 24, 2015, the District Board of Education adopted a bond resolution authorizing the issuance of not to exceed \$9,750,000 serial bonds of the District to finance improvements to Kernan Elementary School. On May 19, 2015, District voters approved the borrowing for this project. The District has received authorization to exceed its debt limit under Section 104.00 of the Local Finance Law for this project from the New York State Board of Regents and the Office of the State Comptroller.

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

FINANCIAL FACTORS

General Information

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

City School District of the City of Utica https://emma.msrb.org/ES1079936-ES843641-ES1244713.pdf Base CUSIP: 917763

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

Real Estate Property Tax Collection Procedure

Tax payments are due September 1st. Taxes are collected in two installments; the first due no later than October 31 and the second due no later than December 31st. Uncollected real property taxes are subsequently enforced by the City. An amount representing uncollected real property taxes transmitted to the City for enforcement is paid by the City to the District no later than June 30th, 18 months after the 2nd installment ends.

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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|--|
| City of: Utica Total Assessed Valuation | \$1,102,771,240 \$1,102,771,240 | \$1,102,771,240 \$1,102,771,240 | \$1,109,704,233 \$1,109,704,233 | \$1,108,014,962 \$1,108,014,962 | \$1,112,648,856 \$1,112,648,856 | |
| | | | ization Rates ing June 30, | | | |
| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | |
| City of: Utica Taxable Full | 75.00% | 76.00% | 70.00% | 72.00% | 68.00% | |
| Valuation | \$1,470,361,653 | \$1,451,014,789 | \$1,585,291,761 | \$1,538,909,669 | \$1,636,248,318 | |
| Special State Equalization Ratios Years Ending June 30, | | | | | | |
| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | |
| City of: Utica Taxable Full | 69.78% | 71.98% | 68.01% | 67.01% | 66.19% | |
| Valuation | \$1,580,354,314 | \$1,532,052,292 | \$1,631,678,037 | \$1,653,506,883 | \$1,680,992,380 | |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$29,635,423 | \$30,005,865 | \$30,005,865 | \$30,005,865 | \$30,005,865 |
| % Uncollected When Due ⁽¹⁾ | 8.78% | 5.22% | 5.22% | 7.70% | 5.80% |

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

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> ⁽¹⁾ | Total <u>Revenues</u> (1) | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|--|------------------------------|---|
| 2013-2014 | \$ 98,879,474 | \$134,541,672 | 73.49% |
| 2014-2015 | 104,904,389 | 142,452,243 | 73.64 |
| 2015-2016 | 124,932,157 | 161,092,436 | 77.55 |
| 2016-2017 | 125,491,205 | 161,913,354 | 77.51 |
| 2017-2018 (Budgeted) | 138,038,720 | 173,177,077 | 79.71 |
| 2018-2019 (Proposed) | 140,629,537 | 176,383,898 | 79.72 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|-------------|-------------|
| 2013-2014 | \$2,067,873 | \$7,516,630 |
| 2014-2015 | 1,617,892 | 8,034,026 |
| 2015-2016 | 1,877,968 | 6,609,194 |
| 2016-2017 | 1,763,919 | 6,550,477 |
| 2017-2018 (Budgeted) | 1,727,466 | 6,038,376 |
| 2018-2019 (Proposed) | 1,859,402 | 6,588,833 |

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

GASB 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, 2016, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$327,585,786. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$327,585,786. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$145,865,597. The District's annual OPEB expense was \$31,927,294 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$7,091,186 to the Plan for the fiscal year ending June 30, 2017, resulting in a net increase to its unfunded OPEB obligation of \$24,836,108, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$170,701,705. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – GASB and OPEB"

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

Recent Operating Results

The District's revenues exceeded its expenditures by \$1,866,589 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$4,864,923 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*."

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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|---------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$17,924,156 | - | \$17,924,156 |
| 2018-2019 | 18,350,913 | - | 18,350,913 |
| 2019-2020 | 14,923,325 | \$1,253,635 | 16,176,960 |
| 2020-2021 | 14,926,175 | 1,256,125 | 16,182,300 |
| 2021-2022 | 14,912,818 | 1,250,000 | 16,162,818 |
| 2022-2023 | 14,924,436 | 1,251,875 | 16,176,311 |
| 2023-2024 | 14,914,793 | 1,251,500 | 16,166,293 |
| 2024-2025 | 14,919,458 | 1,253,750 | 16,173,208 |
| 2025-2026 | 14,920,051 | 1,248,625 | 16,168,676 |
| 2026-2027 | 8,467,436 | 1,246,125 | 9,713,561 |
| 2027-2028 | 8,005,006 | 1,246,000 | 9,251,006 |
| 2028-2029 | 5,688,103 | 1,248,000 | 6,936,103 |
| 2029-2030 | 2,206,775 | 579,125 | 2,785,900 |
| 2030-2031 | 273,575 | = | 273,575 |
| 2031-2032 | 272,275 | - | 272,275 |
| 2032-2033 | 270,800 | - | 270,800 |
| 2033-2034 | 273,200 | = | 273,200 |
| 2034-2035 | 270,200 | - | 270,200 |
| 2035-2036 | 272,000 | - | 272,000 |
| 2036-2037 | 273,400 | - | 273,400 |
| 2037-2038 | 274,400 | - | 274,400 |
| 2038-2039 | 270,000 | - | 270,000 |
| 2039-2040 | 270,400 | = | 270,400 |
| 2040-2041 | 270,400 | - | 270,400 |

Recent Late Payment of Interest

On July 12, 2016, the District filed a material event notice stating that on July 1, 2016, the District had an interest payment due in the total amount of \$177,600. As a result of a clerical oversight, on July 1, 2016 the District paid only \$146,850. The District paid the remaining \$30,750 portion of the interest payment on July 12, 2016. The District has rectified the oversight and foresees no reason to believe the oversight will happen again in the future.

Historical Disclosure Compliance

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

- The District did not timely file a material event notice regarding the rating change for the District's Bond Anticipation Notes, Series 2014. The District subsequently on August 18, 2014 posted a material event notice regarding its failure to timely file this information.
- On occasion, the District did not file certain material event notices regarding credit rating changes for the bond insurer of the District's \$2,445,000 (Serial) Bonds, 2004 Series A and \$24,155,000 (Serial) Bonds, 2004 Series B as required by the continuing disclosure agreements for those bonds. The underlying rating of the District was not affected by the bond insurer rating changes. The District has retained a dissemination agent to ensure compliance in the future with its Continuing Disclosure Undertaking and any other undertakings entered into by the District under Rule 15c2-12.
- The District failed to timely file notice of an enhanced rating change as well as notice of its failure to file such event information. On December 14, 2017, Moody's Investors Services ("Moody's") upgraded the enhanced rating of the District from "A1" to "Aa3". The underlying rating of the District has not been impacted by this rating change. A material event notice disclosing the rating change and the failure to file event information was posted to the Electronic Municipal Market Access ("EMMA") website on March 5, 2018.

The information contained under this subheading "Historical Disclosure Compliance" does not constitute operating data and annual financial information for purposes of DASNY's continuing disclosure agreement.

APPENDIX C-54 DESCRIPTION OF VAN HORNESVILLE-OWEN D. YOUNG CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-54 a brief description of the Van Hornesville-Owen D. Young 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 the late 1920s is situated in the southeastern part of Herkimer County and covers an area of approximately 66 square miles in the Towns of Stark, Warren, Danube, Little Falls, Columbia and German Flatts, in Herkimer County; the Town of Springfield in Otsego County and the Town of Minden in Montgomery County.

The District is primarily a residential/agricultural area. The District-owned water supply provides water to the District and about 40 residents in the community. Telephone service is provided by Verizon. Electricity and gas are provided by National Grid and New York State Electric & Gas Corporation. Fire protection is provided by the Van Hornesville Volunteer Fire Department.

The District provides public education for grades K-12. Opportunities for higher education are available at the nearby Herkimer County and Fulton-Montgomery County Community Colleges.

Population

The current estimated population of the District is 1,582. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | Type | Employees |
|-----------------------------------|----------------------------|------------------|
| Van Hornesville-Owen D. Young CSD | Public Education | 38 |
| Hanson Aggregates | Road Construction Material | 15 |
| OPTO Generics | Manufacturer of Encoders | 12 |
| Van Hornesville Feed Co-Op | Feed & Dairy Products | 5 |
| Route 80 Bowl | Bowling Alley | 2 |

Five Largest Taxpayers

| <u>Name</u> | Type | Full Valuation |
|---|------------------|----------------|
| National Grid | Utility | \$3,401,171 |
| Dominion Transmission Corporation | Gas Transmission | 2,838,770 |
| New York State Electric & Gas Corporation | Utility | 2,245,669 |
| Sprague Farm, LLC | Farm | 1,599,997 |
| Edward Peplinski | Residential | 1,309,375 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 15.22% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) are Herkimer, Montgomery, and Otsego Counties.

| | Year Average | | | | |
|-------------------|--------------|-------------|-------------|-------------|-------------|
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Herkimer County | 7.8% | 6.8% | 6.2% | 5.5% | 5.8% |
| Montgomery County | 9.2 | 7.4 | 6.6 | 5.7 | 5.8 |
| Otsego County | 6.8 | 5.7 | 5.4 | 4.9 | 5.1 |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.6 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | Projected 2018-19 | • |
|------|----------------|----------------|----------------|----------------|----------------|--------------------------|-----|
| K-12 | 193 | 201 | 191 | 190 | 192 | 192 | 192 |

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.

| Number of Employees | Bargaining Unit | Contract Expiration Date |
|------------------------|---|---------------------------------|
| 24 | Van Hornesville Teachers' Association | June 30, 2018 ⁽¹⁾ |
| 10 | Service Unit Association of Owen D. Young CSD | June 30, 2020 |

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$107,149,539 10,714,953 |
|---|-----------------------------|
| Gross Indebtedness ⁽²⁾ | \$3,180,000 0 |
| Total Net Indebtedness | |
| Net Debt Contracting Margin | \$7,534,953 |
| Percentage of Debt Contracting Power Exhausted | 29.68% |

- (1) The District has not incurred any indebtedness since the date of this table.
- Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$2,055,000 School District Bonds to DASNY in connection with the refunding of \$2,600,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- 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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding Indebtedness ⁽¹⁾ | Exclusions ⁽²⁾ | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|---------------|--|---------------------------|----------------------------|--------------------------|--|
| Counties of: | | | | | |
| Herkimer | \$6,900,000 | \$0 | \$6,900,000 | 2.02% | \$139,380 |
| Montgomery | 33,168,031 | 0 | 33,168,031 | 0.06 | 19,901 |
| Otsego | 4,176,459 | 0 | 4,176,459 | 0.27 | 11,276 |
| Towns of: | | | | | |
| Columbia | 0 | 0 | 0 | 2.41 | 0 |
| Danube | 187,000 | 0 | 187,000 | 3.99 | 7,461 |
| German Flatts | 1,021,373 | 0 | 1,021,373 | 0.18 | 1,838 |
| Little Falls | 122,083 | 0 | 122,083 | 5.14 | 6,275 |
| Minden | 0 | 0 | 0 | 0.85 | 0 |
| Springfield | 0 | 0 | 0 | 6.44 | 0 |
| Stark | 504,016 | 0 | 504,016 | 100.00 | 504,016 |
| Warren | 49,570 | 0 | 49,570 | 49.94 | 24,755 |
| Villages of: | | | | | |
| Ilion | 7,978,281 | 0 | 7,978,281 | 100.00 | 7,978,281 |
| Mohawk | 3,796,058 | 0 | 3,796,058 | 100.00 | 3,796,058 |
| | | | | Total | \$12,489,241 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | | | Percentage |
|--|---------------|------------------------------------|---------------------------------------|
| | <u>Amount</u> | Per <u>Capita⁽²⁾</u> | of Full <u>Value⁽³⁾</u> |
| Gross Indebtedness ⁽⁴⁾ | \$3,180,000 | \$2,010.11 | 2.97% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 15,669,241 | 9,904.70 | 14.62 |

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

⁽²⁾ Information not available.

Based on the District's current estimated population of 1,582.

Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$107,149,539.

⁽⁴⁾ The District expects to deliver \$2,055,000 School District Bonds to DASNY in connection with the refunding of \$2,600,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District issued \$850,000 of Revenue Anticipation Notes in the 2014-2015 fiscal year. The District has not issued any such notes since that time, and does not expect to issue any such notes in the current fiscal year.

Capital Project Plans

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.

Van Hornesville-Owen D. Young Central School District https://emma.msrb.org/ER1108885-ER867245-ER1267932.pdf Base CUSIP: 921123

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 on payments received in October. On November 1st, a list of all unpaid taxes is given to the County Treasurers for relevy on County/Town tax rolls. The District is reimbursed by the Counties for all unpaid taxes by March 31st of each year and is thereby 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| Towns of: | | | | | |
| Columbia | \$1,677,395 | \$1,678,442 | \$1,648,373 | \$1,675,274 | \$1,678,470 |
| Danube | 1,884,517 | 1,887,731 | 1,888,802 | 1,887,180 | 1,870,504 |
| German Flatts | 566,904 | 538,958 | 540,271 | 540,555 | 533,601 |
| Little Falls | 3,026,466 | 3,088,575 | 3,037,578 | 3,027,449 | 3,039,737 |
| Minden | 1,365,859 | 1,370,610 | 1,381,355 | 1,386,603 | 1,396,841 |
| Springfield | 10,990,580 | 10,900,378 | 10,927,983 | 11,126,879 | 11,614,832 |
| Stark | 28,256,295 | 28,569,248 | 28,702,697 | 29,089,935 | 29,409,366 |
| Warren | 22,223,707 | 22,314,229 | 22,325,328 | 22,453,585 | 22,834,215 |
| Total Assessed Valuation | \$69,991,723 | \$70,348,171 | \$70,452,387 | \$71,187,460 | \$72,377,566 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------|--------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Columbia | 90.00% | 89.00% | 89.00% | 90.00% | 91.00% |
| Danube | 89.00 | 89.00 | 87.00 | 83.00 | 81.30 |
| German Flatts | 79.50 | 81.00 | 81.00 | 81.00 | 80.00 |
| Little Falls | 72.50 | 72.50 | 74.00 | 74.00 | 75.00 |
| Minden | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Springfield | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Stark | 60.00 | 58.25 | 60.00 | 59.20 | 59.30 |
| Warren | 70.50 | 70.50 | 65.00 | 63.50 | 64.00 |
| Taxable Full | | | | | |
| Valuation | \$99,841,979 | \$101,900,713 | \$103,288,800 | \$105,905,484 | \$107,149,539 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$1,731,486 | \$1,753,660 | \$1,787,757 | \$1,791,600 | \$1,825,367 |
| % Uncollected When Due ⁽¹⁾ | 17.20% | 14.00% | 16.60% | 15.08% | 15.36% |

⁽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 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> ⁽¹⁾ | Total <u>Revenues</u> ⁽¹⁾ | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|--|---|---|
| 2013-2014 | \$3,588,130 | \$5,513,249 | 65.08% |
| 2014-2015 | 3,710,870 | 5,665,381 | 65.50 |
| 2015-2016 | 3,576,205 | 5,566,922 | 64.24 |
| 2016-2017 | 3,133,501 | 5,059,920 | 61.93 |
| 2017-2018 (Budgeted) | 3,338,068 | 5,277,685 | 63.25 |
| 2018-2019 (Proposed) | 3,695,805 | 5,691,001 | 64.94 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2013-2014 | \$99,844 | \$182,628 |
| 2014-2015 | 82,778 | 210,893 |
| 2015-2016 | 47,010 | 156,491 |
| 2016-2017 | 59,400 | 143,602 |
| 2017-2018 (Budgeted) | 59,885 | 131,348 |
| 2018-2019 (Proposed) | 59,885 | 149,836 |

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

GASB 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, 2017, 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 \$4,825,632. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,825,632. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$2,849,316. The District's annual OPEB expense was \$455,400 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$151,037 to the Plan for the fiscal year ending June 30, 2017 to 64 employees, resulting in a net increase to its unfunded OPEB obligation of \$304,363, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$3,153,679. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 financial statements. The District has reserved \$164,192.47 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 \$323,822 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$1,780,588 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|---------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$141,131 | - | \$141,131 |
| 2018-2019 | 122,306 | \$310,288 | 432,594 |
| 2019-2020 | 93,688 | 244,000 | 337,688 |
| 2020-2021 | 95,406 | 246,500 | 341,906 |
| 2021-2022 | 91,806 | 248,500 | 340,306 |
| 2022-2023 | 93,206 | 250,000 | 343,206 |
| 2023-2024 | 94,275 | 176,000 | 270,275 |
| 2024-2025 | - | 170,250 | 170,250 |
| 2025-2026 | - | 169,500 | 169,500 |
| 2026-2027 | - | 163,500 | 163,500 |
| 2027-2028 | - | 162,500 | 162,500 |
| 2028-2029 | - | 161,250 | 161,250 |
| 2029-2030 | - | 159,750 | 159,750 |
| 2030-2031 | - | 158,000 | 158,000 |
| 2031-2032 | - | 156,000 | 156,000 |
| 2032-2033 | - | 78,750 | 78,750 |
| | | | |

APPENDIX C-55 DESCRIPTION OF WAVERLY CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-55 a brief description of the Waverly Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District, centralized in 1957, is located in the Town of Barton, Tioga County, and the Towns of Ashland, Baldwin and Chemung, Chemung County. The District is situated adjacent to the Pennsylvania border, approximately 17 miles southeast of the City of Elmira.

The District is served by New York State Routes #86 (the "Southern Tier Expressway"), #34 and #96, and by Pennsylvania State Route #220. Bus service is available in Waverly, rail service in nearby Sayre, Pennsylvania, and air transportation at the Elmira-Corning Regional Airport.

The District is basically a rural/residential area, with roughly half of its population residing in the Village of Waverly. Residents find employment locally, or commute to Elmira, Owego and Sayre.

Public water and sewer services are provided by the Village of Waverly, with the outlying area using private wells and septic systems. Electricity and natural gas are provided by New York State Electric & Gas Corporation, Pennsylvania Electric and Pennsylvania Southern Gas. Telephone service is provided by NYNEX. Police protection is provided by the Village of Waverly and by the Tioga and Chemung County Sheriffs' departments, supplemented by the New York State Police. Fire protection and ambulance service are provided by volunteer organizations.

The District provides public education for grades PK-12. Opportunities for higher education are available nearby at Elmira College and Corning Community College, as well as in the Ithaca, Binghamton and Cortland areas.

District residents find commercial services in the Village, as well as in Sayre, Elmira and Corning.

Population

The current estimated population of the District is 9,675. (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | Employees |
|----------------------------|-------------------------------------|------------------|
| CVS | Retail/Pharmacy Distribution Center | 550 |
| Tioga County | Government | 391 |
| Elderwood | Nursing Home | 320 |
| Tioga Downs | Racino | 300 |
| Vulcraft Steel Fabrication | Manufacturer | 300 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|---|---------------------|----------------|
| New York State Electric & Gas Corporation | Utility | \$9,655,393 |
| Norfolk& Southern | Railroad | 8,084,026 |
| Millennium Pipeline | Utility | 7,667,008 |
| Leprino Foods | Cheese Manufacturer | 6,427,647 |
| 37 North Chemung St (Elderwood) | Nursing Facility | 5,647,059 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 11.4% of the tax base of the District.

Unemployment Rate Statistics

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|
| Tioga County | 7.1% | 6.1% | 5.5% | 5.1% | 5.2% |
| Chemung County | 7.9 | 6.2 | 5.9 | 5.7 | 5.6 |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | 2013-14 | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | • | Projected <u>2019-20</u> |
|------|---------|----------------|----------------|----------------|----------------|-------|--------------------------|
| K-12 | 1,707 | 1,713 | 1,705 | 1,658 | 1,638 | 1,620 | 1,620 |

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.

| Number of Employees | Bargaining Unit | Contract <u>Expiration Date</u> |
|------------------------|---|---------------------------------|
| 122 | Waverly CSD Teachers' Association | June 30, 2022 |
| 75 | Waverly CSD Association of Support Personnel | June 30, 2021 |
| 10 | Waverly CSD Administrative & Professional Association | June 30, 2021 |
| 7 | Waverly CSD Food Service Employees' Association | June 30, 2021 |

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$467,442,369 46,744,237 |
|---|-----------------------------|
| Gross Indebtedness ⁽²⁾ | \$44,550,000 0 |
| Total Net Indebtedness | \$44,550,000 |
| Net Debt Contracting Margin | \$2,194,237 |
| Percentage of Debt Contracting Power Exhausted | 95.31% |

- The District has not incurred any indebtedness since the date of this table.
- 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 \$3,970,000 School District Bonds to DASNY in connection with the refunding of \$4,550,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.
- 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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding <u>Indebtedness</u> ⁽¹⁾ | Exclusions(2) | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-------------|---|---------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Tioga | \$15,225,000 | \$0 | \$15,225,000 | 12.52% | \$1,906,170 |
| Chemung | 52,670,961 | 0 | 52,670,961 | 3.34 | 1,759,210 |
| Town of: | | | | | |
| Barton | 1,197,170 | 1,197,170 | 0 | 85.21 | 0 |
| Chemung | 0 | 0 | 0 | 93.48 | 0 |
| Baldwin | 0 | 0 | 0 | 7.66 | 0 |
| Ashland | 0 | 0 | 0 | 0.46 | 0 |
| Village of: | | | | | |
| Waverly | 5,478,453 | 3,053,453 | 2,425,000 | 100.00 | 2,425,000 |
| • | | | | Total | \$6,090,380 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | | Per | Percentage of Full |
|--|---------------|-----------------------|----------------------|
| | Amount | Capita ⁽²⁾ | Value ⁽³⁾ |
| Gross Indebtedness ⁽⁴⁾ | \$44,550,000 | \$4,604.65 | 9.53% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 50,640,380 | 5,234.15 | 10.83 |

- (1) The District has not incurred any indebtedness since the date of the above table.
- Based on the District's current estimated population of 9,675.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$467,442,369.
- (4) The District expects to deliver \$3,970,000 School District Bonds to DASNY in connection with the refunding of \$4,550,000 of the District's outstanding bond anticipation notes and in connection with the financing of school district capital facilities and school district capital equipment. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the debt ratios as it is already accounted for in the above calculations.

Cash Flow Borrowing

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

Capital Project Plans

On May 19, 2015, the voters of the District authorized a capital project consisting of certain renovations, reconstruction, alterations and improvements to the District's Middle/High School Building in the amount of \$2,500,000 for conversion of the existing library into a Learning Commons. \$2,500,000 bond anticipation notes have been issued pursuant to this authorization to date, of which \$2,500,000 bond anticipation notes are outstanding and will mature on August 31, 2018.

On May 15, 2018, the District is planning to propose to voters of the District a \$2,100,000 capital project which will include the construction of secure vestibules at Lincoln Street Elementary, Elm Street Elementary, and Waverly High School, and will also include various other renovations to School District buildings and grounds.

FINANCIAL FACTORS

General Information

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

Waverly Central School District https://emma.msrb.org/ER1104266-ER863605-ER1264302.pdf Base CUSIP: 943810

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

Real Estate Property Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge during the month of September, but a 2% penalty is charged from October 1st to October 31st. On or about November 1st, uncollected taxes plus penalties are returnable to the Counties of Tioga and Chemung. The District receives these amounts from the respective Counties prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the Counties.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

Assessed Valuation Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|----------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Barton | \$289,391,582 | \$301,094,056 | \$292,560,085 | \$288,523,283 | \$286,670,782 |
| Chemung | 115,901,568 | 116,499,574 | 122,583,935 | 123,114,201 | 125,349,448 |
| Baldwin | 62,884 | 62,875 | 65,905 | 68,657 | 68,714 |
| Ashland | 6,267 | 6,297 | 10,345 | 10,581 | 10,231 |
| Total Assessed | \$405,362,301 | \$417,662,802 | \$415,220,270 | \$411,716,722 | \$412,099,175 |
| Valuation | ψτυυ,502,501 | Ψ17,002,002 | Ψ-13,220,270 | ψ-11,/10,/22 | ΨΤ12,099,173 |

State Equalization Rates Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Barton | 94.00% | 88.00% | 88.00% | 85.00% | 85.00% |
| Chemung | 100.00 | 100.00 | 100.00 | 97.00 | 100.00 |
| Baldwin | 1.53 | 1.60 | 1.60 | 1.65 | 1.65 |
| Ashland | 1.69 | 1.60 | 1.60 | 1.55 | 1.53 |
| Taxable Full | | | | | |
| Valuation | \$428,245,847 | \$462,975,160 | \$459,804,202 | \$471,204,689 | \$467,442,369 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$6,275,362 | \$6,329,696 | \$6,771,509 | \$6,771,509 | \$6,973,916 |
| % Uncollected When Due ⁽¹⁾ | 8.69% | 11.76% | 10.24% | 8.74% | 8.64% |

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

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid</u> ⁽¹⁾ | Total <u>Revenues⁽¹⁾</u> | Revenues Consisting of State Aid (1) |
|----------------------|--|--|--------------------------------------|
| 2013-2014 | \$17,973,944 | \$25,229,433 | 71.24% |
| 2014-2015 | 18,964,933 | 26,510,326 | 71.54 |
| 2015-2016 | 20,862,953 | 27,465,534 | 75.96 |
| 2016-2017 | 20,231,889 | 28,171,025 | 71.82 |
| 2017-2018 (Budgeted) | 21,741,827 | 29,465,794 | 73.79 |
| 2018-2019 (Proposed) | 22,030,418 | 30,028,311 | 73.37 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|-------------|
| 2013-2014 | \$328,235 | \$1,384,430 |
| 2014-2015 | 387,714 | 1,611,138 |
| 2015-2016 | 350,368 | 1,208,816 |
| 2016-2017 | 309,167 | 1,036,974 |
| 2017-2018 (Budgeted) | 326,428 | 1,115,825 |
| 2018-2019 (Proposed) | 291,670 | 1,013,780 |

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

GASB and OPEB

The District contracted with EBS through BOCES to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2017, 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 \$49,667,540. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$49,667,540. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$16,209,462. The District's annual OPEB expense was \$4,310,721 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,314,762 to the Plan for the fiscal year ending June 30, 2017 to 374 employees, resulting in a net increase to its unfunded OPEB obligation of \$2,995,959, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$19,205,421. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$268,035 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$1,571,953 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.

| Fiscal <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$3,657,851 | - | \$3,657,851 |
| 2018-2019 | 3,697,850 | \$416,358 | 4,114,208 |
| 2019-2020 | 3,697,250 | 420,750 | 4,118,000 |
| 2020-2021 | 3,700,600 | 419,250 | 4,119,850 |
| 2021-2022 | 3,637,350 | 417,250 | 4,054,600 |
| 2022-2023 | 3,646,300 | 419,750 | 4,066,050 |
| 2023-2024 | 3,640,700 | 421,500 | 4,062,200 |
| 2024-2025 | 3,640,950 | 417,500 | 4,058,450 |
| 2025-2026 | 3,498,200 | 418,000 | 3,916,200 |
| 2026-2027 | 1,329,700 | 417,750 | 1,747,450 |
| 2027-2028 | 1,301,700 | 416,750 | 1,718,450 |
| 2028-2029 | 827,200 | 420,000 | 1,247,200 |
| 2029-2030 | 363,450 | 417,250 | 780,700 |
| 2030-2031 | - | 418,750 | 418,750 |
| 2031-2032 | - | 194,250 | 194,250 |

Historical Disclosure Compliance

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

• The District timely filed its AFIOD for fiscal year ending June 30, 2013; however, the operating data that was provided as part of such filing was dated as of June 25, 2013, which was 5 days prior to the close of the June 30, 2013 fiscal year. The District timely filed its AFIOD for fiscal year ending June 30, 2014; however, the operating data that was provided as part of such filing was dated as of June 12, 2014, which was 18 days prior to the close of the June 30, 2014 fiscal year.

The information contained under this subheading "Historical Disclosure Compliance" does not constitute operating data and annual financial information for purposes of DASNY's continuing disclosure agreement.

APPENDIX C-56 DESCRIPTION OF WESTFIELD CENTRAL SCHOOL DISTRICT

There follows in this Appendix C-56 a brief description of the Westfield Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District, with a land area of approximately 49 square miles, is located in the southwestern portion of Chautauqua County (the "County") on Lake Erie, about nine miles from the Pennsylvania border. The District includes the Town and Village of Westfield, the Town of Portland, and the Town of Ripley. The Village of Westfield serves as the main shopping and business center for the surrounding area. The District is primarily agricultural in character, as it is located in the heart of the Concord grape region.

Housing consists primarily of single family homes. Major employers in the grape processing industry include Welch Foods, Inc., Renold Inc., Growers Co-op Grape Juice Co. and Mogen David Wine Company. In addition, residents may commute to Jamestown or Dunkirk. Other major employers include Westfield Memorial Hospital and the Chautauqua and Erie Telephone Company.

Rail transportation is provided by Norfolk & Western Railroad and Conrail; bus service is provided by Greyhound; highway facilities include Interstate Route #90, U.S. Routes #5 and #20 and State Route #394. Westfield has its own exchange of the New York State Thruway.

Population

The current estimated population of the District is 4,888 (Source: 2016 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | Type | Employees |
|-----------------------------------|------------------|------------------|
| Renold, Inc. | Manufacturing | 175 |
| Westfield Central School District | Public Education | 175 |
| Mogen David Wine | Food Processing | 150 |
| Chautauqua & Erie Telephone Corp. | Public Utility | 150 |
| Westfield Memorial Hospital | Health Care | 150 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | Full Valuation |
|---------------------------------|---------------|----------------|
| CSX Transportation | Railroad | \$4,580,710 |
| The Wine Group Ltd. | Manufacturing | 4,145,700 |
| Cass Development | Health Care | 3,751,680 |
| Welch Foods, Inc | Industrial | 3,211,460 |
| Chautauqua & Erie Telephone Co. | Utility | 3,041,213 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 11.84% 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 the County.

| Year Av | erage |
|---------|-------|
|---------|-------|

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-------------------|-------------|-------------|-------------|-------------|-------------|
| Chautauqua County | 8.0% | 6.8% | 6.0% | 5.8% | 6.1% |
| New York State | 7.7 | 6.3 | 5.3 | 4.8 | 4.7 |

Enrollment

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

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | 2017-18 | • | Projected <u>2019-20</u> |
|------|----------------|----------------|----------------|----------------|---------|-----|--------------------------|
| K-12 | 728 | 699 | 678 | 674 | 678 | 671 | 667 |

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.

| Number of | | Contract |
|------------------|---|------------------------|
| Employees | Bargaining Unit | Expiration Date |
| 73 | Westfield Teachers Association | June 30, 2021 |
| 63 | Westfield Non-Instructional 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 May 1, 2018⁽¹⁾

| Full Valuation of Taxable Real Property Debt Limit (10% of Full Valuation) | \$319,272,464 31,927,246 |
|---|-----------------------------|
| Gross Indebtedness ⁽²⁾ | \$4,985,000 0 |
| Total Net Indebtedness | \$4,985,000 |
| Net Debt Contracting Margin | \$26,942,246 |
| Percentage of Debt Contracting Power Exhausted | 15.61% |

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

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 2016 fiscal year of the respective municipalities.

| <u>Unit</u> | Outstanding Indebtedness ⁽¹⁾ | Exclusions (2) | Net <u>Indebtedness</u> | % Within <u>District</u> | Applicable Net <u>Indebtedness</u> |
|-------------|--|----------------|----------------------------|--------------------------|--|
| County of: | | | | | |
| Chautauqua | \$49,084,518 | \$295,000 | \$48,789,518 | 4.58% | \$2,234,404 |
| Town of: | | | | | |
| Portland | 1,778,890 | 1,278,390 | 500,500 | 8.25 | 41,287 |
| Ripley | 695,000 | 0 | 695,000 | 5.62 | 39,059 |
| Westfield | 745,000 | 471,000 | 274,000 | 99.88 | 273,671 |
| Village of: | | | | | |
| Westfield | 2,021,900 | 1,434,600 | 587,300 | 100.00 | 587,300 |
| | | | | Total | \$3,175,721 |

Bonds and bond anticipation notes as of close of 2016 fiscal year of the respective municipalities. Not adjusted to include subsequent bond sales, if any.

Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$2,480,000 School District Bonds to DASNY in connection with the refunding of \$2,840,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.

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.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 1, 2018.

Debt Ratios As of May 1, 2018⁽¹⁾

| | <u>Amount</u> | Per <u>Capita⁽²⁾</u> | Percentage of Full <u>Value⁽³⁾</u> |
|--|---------------|------------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$4,985,000 | \$1,019.84 | 1.56% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 8,160,721 | 1,669.54 | 2.56 |

- (1) The District has not incurred any indebtedness since the date of the above table.
- Based on the District's current estimated population of 4,888.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2017-18 of \$319,272,464.
- (4) The District expects to deliver \$2,480,000 School District Bonds to DASNY in connection with the refunding of \$2,840,000 of the District's outstanding bond anticipation notes. 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, 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.

Westfield Central School District http://emma.msrb.org/ER1114188-ER871487-ER1272188.pdf Base CUSIP: 960181

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 6th, payable to October 7th without penalty. A 2% penalty is added for taxes paid between October 8th and November 8th, and a 7% penalty is added for taxes paid between November 9th and November 22nd. Uncollected school taxes are turned over to the County Commissioner of Finance on or about December 1st and the County reimburses the District in full before the end of the fiscal year in which the taxes were levied, 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Portland | \$9,536,921 | \$9,570,480 | \$9,666,014 | \$9,770,389 | \$9,661,523 |
| Ripley | 4,982,816 | 5,848,594 | 5,767,383 | 5,833,928 | 5,845,393 |
| Westfield | 226,186,941 | 225,556,623 | 225,078,983 | 226,000,105 | 225,322,543 |
| Total Assessed Valuation | \$240,706,678 | \$240,975,697 | \$240,512,380 | \$241,604,422 | \$240,829,459 |
| State Equalization Rates Years Ending June 30, | | | | | |
| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
| Towns of: | | | | | |
| Portland | 54.00% | 57.00% | 57.00% | 57.00% | 57.00% |
| Ripley | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Westfield | 80.00 | 80.00 | 80.00 | 76.00 | 76.00 |

Total District Property Tax Collections Years Ending June 30,

\$304,074,031

\$320,343,521

\$319,272,464

\$304,584,689

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$5,678,406 | \$5,803,095 | \$5,911,419 | \$5,924,839 | \$6,015,691 |
| % Uncollected When Due ⁽¹⁾ | 10.33% | 10.52% | 9.78% | 9.04% | 8.19% |

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

\$305,377,457

Taxable Full Valuation

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 2018-2019 fiscal year.

State Aid and Revenues

| <u>Fiscal Year</u> | Total <u>State Aid⁽¹⁾</u> | Total <u>Revenues</u> ⁽¹⁾ | Percentage of Total Revenues Consisting of <u>State Aid</u> ⁽¹⁾ |
|----------------------|---|---|---|
| 2013-2014 | \$8,019,428 | \$13,892,558 | 57.72% |
| 2014-2015 | 8,189,626 | 14,143,045 | 57.91 |
| 2015-2016 | 8,543,152 | 14,603,472 | 58.50 |
| 2016-2017 | 8,622,698 | 14,787,657 | 58.31 |
| 2017-2018 (Budgeted) | 9,120,959 | 15,256,650 | 59.78 |
| 2018-2019 (Proposed) | 9,759,019 | 16,005,024 | 60.97 |

⁽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 2013-2014 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2018-2019 fiscal year are as follows:

| Fiscal Year | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2013-2014 | \$273,646 | \$686,996 |
| 2014-2015 | 279,474 | 943,803 |
| 2015-2016 | 210,892 | 797,428 |
| 2016-2017 | 216,014 | 726,898 |
| 2017-2018 (Budgeted) | 265,000 | 659,400 |
| 2018-2019 (Proposed) | 265,000 | 753,944 |

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

GASB 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, 2017, 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 \$9,123,076. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$9,123,076. For the fiscal year ending June 30, 2017, the District's beginning year Net OPEB obligation was \$1,594,175. The District's annual OPEB expense was \$900,233 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$526,486 to the Plan for the fiscal year ending June 30, 2017 to 160 employees, resulting in a net increase to its unfunded OPEB obligation of \$373,747, for a fiscal year ending June 30, 2017 total net unfunded OPEB obligation of \$1,967,922. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2017 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 \$12,236 in its General Fund for the fiscal year ended June 30, 2017, resulting in an unassigned General Fund balance of \$1,294,629 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 <u>Year</u> | Existing Debt <u>Service</u> | New Debt <u>Service</u> | Total Debt <u>Service</u> |
|-----------------------|---------------------------------|----------------------------|------------------------------|
| 2017-2018 | \$345,175 | - | \$345,175 |
| 2018-2019 | 351,925 | \$243,267 | 595,192 |
| 2019-2020 | 348,225 | 250,000 | 598,225 |
| 2020-2021 | 349,080 | 248,500 | 597,580 |
| 2021-2022 | 349,168 | 246,750 | 595,918 |
| 2022-2023 | 348,615 | 249,750 | 598,365 |
| 2023-2024 | 352,240 | 247,250 | 599,490 |
| 2024-2025 | - | 244,500 | 244,500 |
| 2025-2026 | - | 251,500 | 251,500 |
| 2026-2027 | - | 247,750 | 247,750 |
| 2027-2028 | - | 248,750 | 248,750 |
| 2028-2029 | - | 249,250 | 249,250 |
| 2029-2030 | - | 249,250 | 249,250 |
| 2030-2031 | - | 248,750 | 248,750 |
| 2031-2032 | - | 242,750 | 242,750 |
| 2032-2033 | = | 136,500 | 136,500 |

Historical Disclosure Compliance

The District has in the previous five years complied, in all material respect with any previous undertakings pursuant to Securities Exchange Commission Rule 15c-12; however;

• The District did fail to file the required material event notice related to a bond insurer rating change in a timely manner. The required material event and failure to file notice were filed on June 13, 2014.

The information contained under this subheading "Historical Disclosure Compliance" does not constitute operating data and annual financial information for purposes of DASNY's continuing disclosure agreement.

SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENTS



SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENTS

The following is a brief summary of certain provisions of the Financing Agreements (the "Agreements") to be executed by each of the School Districts. Such summary does not purport to be complete and reference is made to the Agreements for full and complete statements of such provisions. Defined terms used in the Agreements have the meanings ascribed to them in Appendix A or in the body of this Official Statement.

Loan Clauses

- (A) Loan Consummation. Subject to the conditions and in accordance with the terms of the Agreement, DASNY agrees to make the Loan and the School District agrees to accept and repay the Loan in an aggregate principal amount of up to the Principal Amount at a net interest cost not to exceed the Maximum Rate. As evidence of the Loan made to the School District, the School District agrees to issue to or upon the order of DASNY, and to deliver to or upon the order of DASNY, the School District Bonds in an aggregate principal amount of up to the Principal Amount, bearing interest at rates not exceeding the Maximum Rate and expected to mature at the times and in the amounts set forth in the Agreement.
- (B) Payment to Trustee. On the dates set forth in the Agreement, the School District will deposit or cause to be deposited with the Trustee the full amount of the payment due on the School District Bonds on such dates, respectively; provided, however that the School District agrees to pay the amount due on such initial payment date on or before the date of issuance of the DASNY Bonds or on such other date as may be set forth in the Agreement. Amounts so deposited by the School District prior to the payment date for the DASNY Bonds will be invested by the Trustee at the direction of DASNY. Investment earnings on such amounts will accrue to the benefit of the School District and will be paid to the School District at the direction of DASNY in accordance with the section of the Agreement described below under the heading "Application of Interest Earnings."
- (C) Pledge and Assignment. The School District assigns and pledges to DASNY a sufficient portion of any and all public funds to be apportioned or otherwise to be made payable by the State to the School District to cover the payments required by the Agreement and directs and acknowledges that such amounts will be paid directly to the Trustee as provided in the Act and the Memorandum of Understanding upon the occurrence of any Event of Default under the Agreement. Such assignment and pledge is irrevocable and will continue until the date on which the liabilities of DASNY and the School District with respect to the Project have been discharged and the School District's Proportionate Share of the DASNY Bonds has been paid or otherwise discharged. The School District agrees that it will not create or suffer to be created any pledge or assignment of the public funds mentioned in the Agreement to be apportioned or otherwise payable by the State other than pledges or assignments to secure subsequent Series of DASNY Bonds or to secure bonds issued by any agency or instrumentality of the United States of America or the State of New York or any authority, agency or political subdivision thereof, or as otherwise consented to in writing by DASNY.

(Section 3.1)

Other Amounts Payable

- (A) The School District expressly agrees to pay to DASNY:
- (i) Upon the issuance and sale of the DASNY Bonds, the initial financing fee, DASNY's annual administrative fee and its Proportionate Share (or such other portion thereof as shall be agreed upon by the School District and DASNY) of the costs and expenses of DASNY in the preparation, sale and delivery of the DASNY Bonds, the preparation and delivery of any legal instruments, closing transcripts and documents necessary in connection therewith and with the Agreements and their filing and recording, if required, and all taxes and charges payable in connection with any of the foregoing, all as specified in the Notice of Terms. Such costs are payable from the sources identified in the Agreement and in the amount specified in the Notice of Terms, subject to the limit set forth in the Agreement;

- (ii) When due, other Costs of Issuance payable to consultants and attorneys utilized by the School District in connection with the issuance of the School District Bonds as set forth in the Notice of Terms;
- (iii) As such expenses are incurred, the amount of any DASNY expenses (including but not limited to investment losses and the reasonable fees and expenses of DASNY, the Trustee, the owners of DASNY Bonds, and attorneys representing any of the foregoing) incurred as a result of the School District's failure to make any payment on the School District Bonds when due or failure to otherwise comply with the terms of the Agreement or the School District Bonds; and
- (iv) In the event that after the date set forth in the Agreement the School District does not proceed to the closing of the Loan, the fees of DASNY's bond counsel incurred with respect to the School District's Loan.
- (B) Indemnification. To the extent permitted by law, the School District agrees to indemnify, defend and hold harmless DASNY and each member, officer and employee of DASNY against any and all liabilities, losses, costs, damages or claims, and will pay any and all judgments or expenses of any and all kinds or nature and however arising, imposed by law, including interest thereon, which it or any of them may sustain, be subject to or be caused to incur by reason of any claim, action, suit, charge or proceeding arising from or out of (1) the making of the Loan by DASNY to the School District, (2) any failure by the School District to deliver the School District Bonds to DASNY or (3) an allegation that an official statement, prospectus, placement memorandum or other offering document prepared in connection with the sale and issuance of the DASNY Bonds contained an untrue or misleading statement of a material fact obtained from the School District relating to the School District or the Project, or omitted to state a material fact relating to the School District or the Project necessary in order to make the statements made therein in light of the circumstances under which they were made not misleading; provided, however, that neither DASNY nor a member, officer or employee of DASNY will be released, indemnified or held harmless from any claim for damages, liability, loss, cost, damage, judgment or expense arising out of the gross negligence or willful misconduct of DASNY, such member, officer or employee.

DASNY agrees to give the School District prompt notice in writing of the assertion of any claim or the institution of each such suit, action or proceeding and to cooperate with the School District in the investigation of such claim and the defense, adjustment, settlement or compromise of any such action or proceeding. DASNY will not settle any such suit, action or proceeding without the prior written consent of counsel to the School District.

Except as provided in the following paragraph, the School District, at its own cost and expense, will defend any and all suits, actions or proceedings which may be brought or asserted against DASNY, its members, officers or employees for which the School District is required to indemnify DASNY or hold DASNY harmless, but this provision will not be deemed to relieve any insurance company which has issued a policy of insurance as may be provided for in the Agreement from its obligation to defend the School District, DASNY and any other insured named in such policy of insurance in connection with claims, suits or actions covered by such policy.

DASNY and each member, officer or employee thereof will, at the cost and expense of the School District, be entitled to employ separate counsel in any action or proceeding arising out of any alleged act or omission which occurred or is alleged to have occurred while the member, officer or employee was acting within the scope of his or her employment or duties in connection with the issuance of the DASNY Bonds or the refinancing or use of the Project, and to conduct the defense thereof, in which (i) the counsel to the School District determines, based on his or her investigation and review of the facts and circumstances of the case, that the interests of such person and the interests of the School District are in conflict, or in the event such counsel determines that no conflict exists, a court of competent jurisdiction subsequently determines that such person is entitled to employ separate counsel, or (ii) such person may have an available defense which cannot as a matter of law be asserted on behalf of such person by the School District or by counsel employed by it, or (iii) such person may be subject to criminal liability, penalty or forfeiture, or (iv) the School District has consented to the employment of separate counsel or the counsel retained by the School District pursuant to the Agreement is not reasonably acceptable to DASNY; provided, however, that the School District will not be liable for attorneys' fees of separate counsel so retained or any other expenses incurred in connection with the defense of an action or proceeding described in clause (iii) of this paragraph, unless the member, officer or employee has prevailed on the merits or such action or proceeding was dismissed or withdrawn,

or an adverse judgment was reversed upon appeal, and such action or proceeding may not be recommenced. Attorney's fees of separate counsel retained in accordance with this paragraph will be paid only upon the audit of an appropriate School District officer.

(Section 3.2)

Application of Loan Proceeds and Unspent Proceeds

- (A) To the extent the proceeds of the Loan are to be used to pay costs of issuance of DASNY Bonds or School District Bonds or any amounts payable to DASNY under the Agreement, the portion of the proceeds to be so used will be held on deposit with the Trustee for the account of the School District. Amounts so deposited will be invested and disbursed in accordance with the Master Resolution and the Supplemental Resolution.
- (B) To the extent the proceeds of the Loan are to be used to refinance the Refunded Obligations, the Authority shall direct the Trustee to pay the Refunded Obligations or to deposit the portion of the proceeds to be so used in an account to pay the Refunded Obligations as they become due. Amounts in such account shall be held uninvested or invested as directed by the Authority in Government Obligations. Earnings, if any, on such amounts shall be credited against amounts due from the School District pursuant to the Agreement. The School District covenants and agrees to pay directly to the paying agent for the Refunded Obligations any principal and/or interest due on the Refunded Obligations on their redemption date in excess of the amount held pursuant to the Agreement for the payment of the Refunded Obligations.
- (C) To the extent that the proceeds of the Loan are to be used to finance the Project, they will be maintained in a separate account established with the Bank (not commingled with any other funds of the School District) pursuant to Section 165.00 of the Local Finance Law and Sections 10 and 11 of the General Municipal Law and maintained in accordance with the provisions of the Arbitrage and Use of Proceeds Certificate. Amounts in such account will be invested as directed by the School District in accordance with the General Municipal Law. Disbursements will be made from such account only (1) for payment to the School District for the reimbursement of costs of the Project previously paid by the School District or (2) for direct payment of Project costs.
- (D) The School District expressly acknowledges and agrees that, with respect to any remaining unspent proceeds of the Refunded Obligations, either (i) such proceeds are required for the completion of the Project or (ii) to the extent that the unspent proceeds of the Refunded Obligations are not needed to complete the Project, the School District shall apply such proceeds to pay the Refunded Obligations as they become due. In either case, the School District shall, prior to the issuance of DASNY Bonds, transfer any unspent proceeds of the Refunded Obligations to a separate account established with the Bank (not commingled with any other funds of the School District) pursuant to Section 165.00 of the Local Finance Law and Sections 10 and 11 of the General Municipal Law and maintained in accordance with the provisions of the Arbitrage and Use of Proceeds Certificate. Amounts in such account shall be invested as directed by the School District in accordance with the General Municipal Law.
- (E) The School District expressly acknowledges and agrees that DASNY shall have the right to obtain and review the records of the Bank relating to accounts established for the School District pursuant to the Agreement (i) agrees to deliver to DASNY on a monthly basis bank statements with respect to such accounts, and (ii) authorizes the Bank to deliver copies of such records to DASNY upon request of DASNY. The School District covenants and agrees to maintain records as required by the Arbitrage and Use of Proceeds Certificate, including but not limited to records with respect to Project costs, expenditure of proceeds of the Loan and investment of proceeds of the Loan, for a period of not less than three (3) years subsequent to the maturity or earlier redemption of the DASNY Bonds (or, if the School District Bonds are refunded by tax-exempt obligations three (3) years after such tax-exempt obligations are retired) and expressly acknowledges and agrees to provide copies of such records to DASNY upon request.

(Section 3.4)

Effective Date and Term

The date of the Agreement is for reference purposes only and the Agreement will become effective upon the date of execution and delivery of the Agreement, will remain in full force and effect from such date and will expire on such date as all DASNY Bonds are discharged and satisfied in accordance with the provisions thereof and all obligations of the School District to DASNY are satisfied.

(Section 3.5)

Trustee; Investment of Loan Proceeds and School District Bond Prepayments

The School District authorizes the Trustee to invest, in accordance with instructions of DASNY, amounts that are held by the Trustee for the account of the School District in accordance with the provisions of the Master Resolution. The School District acknowledges that DASNY and the Trustee will not be liable or responsible for any loss, direct or indirect, resulting from any investment authorized by the Master Resolution and the Agreement or from the redemption, sale or maturity of any such investment as therein authorized or from any depreciation in value of any such investment.

(Section 3.7)

Authorization to Acquire Investments

The School District authorizes DASNY to acquire the investments, if any, required by the Agreement, including forward purchase contracts.

(Section 3.9)

Application of Interest Earnings

DASNY agrees that it will cause to be deposited in the Debt Service Fund the interest earned and paid on the investment of moneys in the Debt Service Fund. Pursuant to the Master Resolution, DASNY agrees that, so long as no event of default has occurred under the Agreement, DASNY will pay to the School District annually the School District's 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, or that the proceeds of the Loan are sufficient to pay the costs of the

Project. Nothing in the Agreement will relieve the School District of its responsibility to properly plan, design, build and effectively operate and maintain the Project as required by laws, regulations, permits and good management practices. The School District acknowledges and agrees that DASNY or its representatives are not responsible for increased costs resulting from defects in the plans, design drawings and specifications or other Project documents.

(Section 4.2)

Construction of Project

- (A) Construction. To the extent, if any, that the Project is not yet complete, the School District agrees to ensure that the Project is constructed expeditiously.
- (B) Completion Certificate. To the extent, if any, that the Project is not yet complete, the School District will deliver to DASNY a certificate of the School District stating that the Project has been completed in accordance with the Agreement within seven (7) Business Days following such completion.

(Section 4.3)

Application of Loan Proceeds

The School District will apply the proceeds of the Loan solely as provided in the Agreement.

(Section 5.1)

Tax Covenant

The School District covenants that it will not take any action or inaction, nor fail to take any action or permit any action to be taken, with respect to the Project or the portion of the proceeds of the DASNY Bonds made available to it as part of the Loan including amounts treated as proceeds of the DASNY Bonds for any purpose of Section 103 of the Code, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the DASNY Bonds under Section 103 of the Code. This provision will control in case of conflict or ambiguity with any other provision of the Agreement. Without limiting the generality of the foregoing, the School District covenants that it will comply with the instructions and requirements of the Arbitrage and Use of Proceeds Certificate, which is fully incorporated into the Agreement. The School District covenants that it will not take any action or inaction, nor fail to take any action or permit any action to be taken, if any such action or inaction, which, assuming the School District Bonds were issued as bonds the interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Code, would cause the School District Bonds to be "private activity bonds," "private loan bonds," "arbitrage bonds" or "prohibited advance refunding bonds" within the meaning of Sections 141, 148 or 149 of the Code. The School District (or any related party within the meaning of Treasury Regulation Section 1.150-1(b)) will not, pursuant to an arrangement, formal or informal, purchase DASNY Bonds in an amount related to the amount of any obligation to be acquired from the School District by DASNY. The School District will, on a timely basis, provide DASNY with all necessary information and funds to the extent required to enable DASNY to comply with the arbitrage and rebate requirements of the Code.

(Section 5.2)

Covenant as to Restrictions on Religious Use

The School District agrees that with respect to the Project or any portion thereof, so long as the Project or portion thereof exists and unless and until the Project or portion thereof is sold for the fair market value thereof, the Project or any portion thereof will not be used for sectarian religious instruction or as a place of religious worship or in connection with any part of a program of a school or department of divinity for any religious denomination; provided, however, that the foregoing restriction will not prohibit the free exercise of any religion and will not

restrict or inhibit compliance with the Equal Access Act, 20 U.S.C. Sections 4071-4074; and, further provided, however, that if at any time after the date of the Agreement, in the opinion of Bond Counsel, the then applicable law would permit the Project or a portion thereof to be used without regard to the above stated restriction, said restriction will not apply to the Project or any portion thereof. DASNY and its agents may conduct such inspections as DASNY deems necessary to determine whether the Project or any portion of real property thereof refinanced by the DASNY Bonds is being used for any purpose proscribed under the Agreement. The School District further agrees that prior to any disposition of any portion of the Project for less than fair market value, it will execute and record in the appropriate real property records an instrument subjecting, to the satisfaction of DASNY, the use of such portion of the Project to the restriction that (i) so long as such portion of the Project (and, if included in the Project, the real property on or in which such portion of the Project is situated) will exist and (ii) until such portion of the Project is sold or otherwise transferred to a person who purchases the same for the fair market value thereof at the time of such sale or transfer, such portion of the Project will not be used for sectarian religious instruction or as a place of religious worship or used in connection with any part of the program of a school or department of divinity of any religious denomination. The instrument containing such restriction will further provide that such restriction may be enforced at the instance of DASNY or the Attorney General of the State, by a proceeding in any court of competent jurisdiction, by injunction, mandamus or by other appropriate remedy. The instrument containing such restriction will also provide that if at any time thereafter, in the opinion of Bond Counsel, the then applicable law would permit such portion of the Project, or, if included in the Project, the real property on or in which such portion is situated, to be used without regard to the above stated restriction, then said restriction will be without any force or effect. For the purposes of the Agreement an involuntary transfer or disposition of the Project or a portion thereof, upon foreclosure or otherwise, will be considered a sale for the fair market value thereof.

(Section 5.3)

Payment of School District Bonds

The School District covenants and agrees that it will duly and punctually pay or cause to be paid the principal installments or redemption price of its School District Bonds and the interest thereon, at the dates and places and in the manner stated in such School District Bonds and in accordance with the section of the Agreement described above under the heading "Loan Clauses" and that such obligation will not be subject to any defense (other than payment) or any rights of setoff, recoupment, abatement, counterclaim or deduction and will be without any rights of suspension, deferment, diminution or reduction it might otherwise have against DASNY, the Trustee or the owner of any DASNY Bond.

(Section 5.4)

Actions Regarding State Aid

The School District covenants and agrees that it will submit to the State all documentation required by the State as a condition to the payment of any State aid in sufficient time to permit such aid to be paid on its scheduled payment date.

(Section 5.5)

Defaults

An "event of default" or a "default" under the Agreement means any one or more of the following events: (a) Failure by the School District to pay or cause to be paid when due the amounts to be paid under the School District Bonds; (b) Failure by the School District to pay or to cause to be paid when due any other payment required to be made under the Agreement which failure continues for a period of thirty (30) days after payment thereof was due, provided that written notice thereof has been given to the School District not less than thirty (30) days prior to the due date thereof; (c) Failure by the School District to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subparagraphs (a) and (b) of this paragraph, which failure continues for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the School District by DASNY or such longer period, as is required to cure such

default, if by reason of the nature of such failure the same cannot be remedied within such thirty (30) day period and the School District has within such thirty (30) day period commenced to take appropriate actions to remedy such failure and is diligently pursuing such actions; (d) Any representation or warranty of the School District contained in the Agreement shall have been at the time it was made untrue in any material respect; or (e) The School District generally does not pay its debts as such debts become due, or admits in writing its inability to pay its debts generally, or makes a general assignment for the benefit of creditors; or any proceeding is instituted by or against the School District seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it for any substantial part of its property; or the School District authorizes any of the actions set forth above in this subparagraph (e).

(Section 6.1)

Remedies

Whenever any event of default referred to in the Agreement and described under the heading "Defaults" shall have happened and is continuing, DASNY may take whatever action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the School District, including requiring payment to the Trustee of any public funds otherwise payable to the School District by the State of New York as provided in the Memorandum of Understanding, the exercise of any remedy authorized by Article VIII of the State Constitution with respect to obtaining payment on the School District Bonds and any other administrative enforcement action and actions for breach of contract.

(Section 7.1)

No Remedy Exclusive

No remedy is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and in addition to every other remedy given under the Agreement or now or after the date of the Agreement existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power or will be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle DASNY to exercise any remedy reserved to it, it will not be necessary to give any notice, other than such notice as may be expressly required by the Agreement.

(Section 7.2)

Waiver and Non-Waiver

In the event any agreement is breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach under the Agreement. No delay or omission by DASNY to exercise any right or power accruing upon default will impair any right or power or will be construed to be a waiver of any such default or acquiescence therein.

(Section 7.3)

Amendments, Supplements and Modifications

The Agreement may not be amended, supplemented or modified except by a written instrument executed by DASNY and the School District and, if such amendment occurs after the issuance of the DASNY Bonds, upon compliance with the provisions of the Master Resolution.

(Section 8.4)

Further Assurances; Disclosure of Financial Information, Operating Data and Other Information

- (A) The School District will, at the request of DASNY, authorize, execute, acknowledge and deliver such further resolutions, conveyances, transfers, assurances, financing statements and other instruments as may be deemed necessary or desirable by DASNY, in its sole discretion, for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by the Agreement and the School District Bonds. The School District also agrees to furnish to DASNY such additional information concerning the financial condition of the School District as DASNY may from time to time reasonably request.
- (B) Without limiting the generality of the foregoing, the School District agrees to comply with the terms of the Continuing Disclosure Agreement.
- (C) If and so long as the offering of the DASNY Bonds continues (a) the School District will furnish such information with respect to itself as the Underwriters of the DASNY Bonds may from time to time reasonably request and (b) if any event relating to the School District occurs as a result of which it is necessary, in the opinion of Bond Counsel to DASNY, General Counsel of DASNY or counsel for such Underwriters, to amend or supplement the Official Statement of DASNY used in connection with the offering of the DASNY Bonds in order to make such information not misleading in light of the circumstances then existing, the School District will forthwith prepare and furnish to DASNY and the Underwriters such information relating to the School District as may be necessary to permit the preparation of an amendment of or supplement to such Official Statement (in form and substance satisfactory to the Bond Counsel to DASNY and counsel for the Underwriters) which will amend or supplement such Official Statement so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make statements therein, in light of the circumstances then existing, not misleading. Unless the School District has been notified to the contrary in writing by DASNY or the Underwriters, the School District is entitled to presume that the offering by DASNY and that its obligations under this paragraph have ceased twenty-five (25) days after the date of delivery of the DASNY Bonds.

(Section 8.9)

SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION



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 Supplemental Resolution by those who hold or own the same from time to time, the Master Resolution and the Applicable Supplemental 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 Bonds of a Series over any other Bonds of such Series except as expressly provided or permitted by the Master Resolution or by the Applicable Supplemental Resolution.

(Section 1.03)

Authorization of Each Series of Bonds

Each Series of Bonds is issued pursuant to the Master Resolution, the applicable Supplemental Resolution and the Act.

The Bonds of each Series 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 such Series of 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 entitled to a charge, 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 Supplemental 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 Supplemental Resolution authorizing their issuance or the Applicable Bond Series Certificate.

(Section 4.01)

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 Supplemental Resolution authorizing such Series or the Applicable Bond Series Certificate.

(Section 4.02)

Selection of Bonds to Be Redeemed

Unless otherwise provided in the Supplemental 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 an 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 Supplemental Resolution, all in accordance with the provisions of the Master Resolution and such Supplemental Resolution. The pledge of the Revenues relates only to the Bonds of an Applicable Series authorized by a Supplemental 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 Supplemental 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 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 Supplemental Resolution, the following funds are authorized to be established, held and maintained for each Applicable Series by the Trustee under the Applicable Supplemental Resolution separate from any other funds established and maintained pursuant to such Supplemental Resolution or any other Supplemental Resolution:

Construction Fund;

Debt Service Fund; and

Arbitrage Rebate Fund.

Accounts and sub-accounts within each of the foregoing funds may from time to time be established in accordance with an Applicable Supplemental 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 Supplemental 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 Supplemental 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 Supplemental 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 Supplemental 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 Supplemental 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

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) each 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) each 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) each 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 Supplemental 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 Applicable Arbitrage Rebate Fund, in accordance with the directions of an Authorized Officer of DASNY, moneys on deposit in any other funds held by the Trustee under the Master Resolution at such times and in such amounts as will be set forth in such directions. Within the Arbitrage Rebate Fund, the Trustee will maintain such accounts as are required by DASNY in order to comply with the terms and requirements of the Tax Certificate. All money at any time deposited in the Arbitrage Rebate Fund will be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the Treasury Department of the United States of America, and DASNY or the owner of any Bonds will not have any rights in or claim to such money. The Trustee will be deemed conclusively to have complied with the provisions of the Master Resolution concerning the Arbitrage Rebate Fund and with such provisions of the Tax Certificate if it follows the directions of an Authorized Officer of DASNY including supplying all necessary written information in the manner provided in the Tax Certificate and has no liability or responsibility for compliance (except as specifically set forth in the Master Resolution or in the Tax Certificate) or to enforce compliance by DASNY with the terms of the Tax Certificate.

Upon the written direction of DASNY, the Trustee will deposit in the Arbitrage Rebate Fund funds received from DASNY, so that the balance of the amount on deposit thereto will be equal to the Rebate Requirement. Computations of the Rebate Requirement will be furnished by or on behalf of DASNY in accordance with the Tax Certificate.

The Trustee has no obligation to rebate any amounts required to be rebated pursuant to the Master Resolution, other than from moneys held in the funds and accounts created under the Master Resolution or from other moneys provided to it by DASNY.

The Trustee will invest all amounts held in the Arbitrage Rebate Fund as provided in written directions of DASNY. DASNY, in issuing such directions, will comply with the restrictions and instructions set forth in the Tax Certificate. Moneys may only be applied from the Arbitrage Rebate Fund as provided under the Master Resolution.

The Trustee, upon the receipt of written instructions and certification of the Rebate Requirement from an Authorized Officer of DASNY, will pay the amount of such Rebate Requirement to the Treasury Department of the United States of America, out of amounts in the Arbitrage Rebate Fund, as so directed.

Notwithstanding any other provisions of the Master Resolution, including in particular the section of the Master Resolution described under the heading "Tax Covenant," the obligation to remit the Rebate Requirement to the United States of America and to comply with all other requirements of the Master Resolution concerning the Arbitrage Rebate Fund, 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 Series 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 Supplemental 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 Supplemental 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 Applicable Series of Bonds, which books and accounts, at reasonable hours and subject to the reasonable rules and regulations of DASNY, will be subject to the inspection of the Trustee, the Applicable School Districts or of any Holder of a Bond of the Applicable Series 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 Supplemental Resolution; a statement of the Applicable Revenues collected from each Applicable School District in connection with the Master Resolution and with each Applicable Supplemental 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 and by any Applicable Supplemental 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 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 Supplemental Resolution, DASNY covenants that it shall not take any action or inaction, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, DASNY covenants that it will comply with the instructions and requirements of the Tax Certificate. This covenant shall survive payment in full or defeasance of the Bonds.

(Section 7.14)

Modification and Amendment without Consent of Holders

DASNY may adopt at any time or from time to time Supplemental Resolutions for any one or more of the following purposes, and any such Supplemental Resolution will become effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of DASNY:

- (a) To add additional covenants and agreements of DASNY for the purpose of further securing the payment of the Bonds of an Applicable Series, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of DASNY contained in the Master Resolution;
- (b) To prescribe further limitations and restrictions upon the issuance of Bonds of an Applicable Series and the incurring of indebtedness by DASNY which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;
- (c) To surrender any right, power or privilege reserved to or conferred upon DASNY by the terms of the Master Resolution, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of DASNY contained in the Master Resolution;
- (d) To confirm, as further assurance, any pledge under the Master Resolution or under the Applicable Supplemental 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 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 Supplemental Resolution will contain a specific reference to the modifications contained in such subsequent resolutions;

- (f) To authorize Bonds of a Series and, in connection therewith, specify and determine the matters and things referred to in the Master Resolution to be specified in each such Supplemental Resolution authorizing the issuance of a Series of Bonds and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with the Master Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Bonds; or
- (g) 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 Supplemental Resolution or other 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 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 Supplemental Resolution adopted by DASNY, when filed with the Trustee, will be accompanied by an opinion of Bond Counsel stating that such 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 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 Supplemental Resolution is authorized or permitted by the provisions of the Master Resolution.

No 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 which will affect an Applicable Series of Bonds and of the Holders of such Applicable Series of 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 of such Series 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 Applicable 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 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 of an Applicable Series 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 Applicable 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 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 or a Liquidity Facility will not be required unless the modification or amendment requires the consent of the Holders of any percentage in principal amount of the Bonds of the Series in connection with which such Credit Facility or Liquidity 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 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 Supplemental 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 Supplemental 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.

An Event of Default under the Master Resolution in respect of an Applicable Series of Bonds shall not in and of itself be or constitute an Event of Default in respect of any other Applicable Series of Bonds.

(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 the Applicable Supplemental Resolution or under the laws of the State by such suits, actions or special proceedings in equity or at law, as the Trustee deems most effectual to protect and enforce such rights.

(Section 11.04)

Limitation of Rights of Individual Bondholders

No Holder of any of the Bonds has any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Master Resolution, or for any other remedy under the Master Resolution unless such Holder previously has given to the Trustee written notice of the event of default on account of which such suit, action or proceeding is to be instituted, and unless also the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds or, in the case of a Taxability Default, the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected thereby, have made written request to the Trustee after the right to exercise such powers or right of action, as the case may be, has accrued, and have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by the Master Resolution or to institute such action, suit or proceeding in its or their name, and unless, also, there has been offered to the Trustee reasonable security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee has refused or neglected to comply with such request within a reasonable time.

(Section 11.08)

Defeasance

If DASNY pays or causes to be paid to the Holders of Bonds of an Applicable Series the principal, Sinking Fund Installments, if any, or Redemption Price of and interest thereon, at the times and in the manner stipulated therein, in the Master Resolution, and in the Applicable Supplemental 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 Supplemental 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 Supplemental 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 Supplemental 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 Supplemental 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)

FORMS OF APPROVING OPINIONS OF CO-BOND COUNSEL



Form of Approving Opinion of Orrick, Herrington & Sutcliffe LLP

[____], 2018

Dormitory Authority of the State of New York 515 Broadway Albany, New York 12207

Re:

[\$506,735,000 Dormitory Authority of the State of New York School Districts Revenue Bond Financing Program Revenue Bonds, consisting of \$423,535,000 Series 2018A (the "Series 2018A Bonds"), \$29,015,000 Series 2018B (the "Series 2018B Bonds"), \$29,155,000 Series 2018C (the "Series 2018C Bonds") and \$25,030,000 Series 2018D (the "Series 2018D Bonds")] [\$78,495,000 Dormitory Authority of the State of New York School Districts Revenue Bond Financing Program Revenue Bonds, Series 2018E (the "Series 2018E Bonds")]

Ladies and Gentlemen:

We have acted as co-bond counsel to the Dormitory Authority of the State of New York (the "Authority") in connection with the issuance of \$[506,735,000][78,495,000] 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 Amended and Restated Master School Districts Revenue Bond Financing Program Revenue Bond Resolution, adopted on February 7, 2018 (the "Resolution"), and the Authority's Amended and Restated Supplemental Resolution 2018-1 Authorizing Up To \$750,000,000 School Districts Revenue Bond Financing Program Revenue Bonds adopted April 11, 2018, including the applicable Bond Series Certificate executed and delivered concurrently with the issuance of each Series of the Series 2018 Bonds (the "Series 2018 Resolution"). The Resolution and the Series 2018 Resolution are herein collectively referred to as the "Resolutions." Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolutions.

With respect to the Series 2018A Bonds, the Authority has entered into a Financing Agreement, dated as of April 11, 2018 (the "Series 2018A Financing Agreements"), with each of the school districts identified on Schedule A under the caption "Series 2018A School Districts" (the "Series 2018A School Districts") providing, among other things, for a loan to each of the Series 2018A School Districts for the purposes permitted thereby and by the Resolution and the Series 2018 Resolution. With respect to the Series 2018B Bonds, the Authority has entered into a Financing Agreement, dated as of April 11, 2018 (the "Series 2018B Financing Agreements"), with each of the school districts identified on Schedule A under the caption "Series 2018B School Districts" (the "Series 2018B School Districts") providing, among other things, for a loan to each of the Series 2018B School Districts for the purposes permitted thereby and by the Resolution and the Series 2018 Resolution. With respect to the Series 2018C Bonds, the Authority has entered into a Financing Agreement, dated as of April 11, 2018 (the "Series 2018C Financing Agreements"), with each of the school districts identified on Schedule A under the caption "Series 2018C School Districts" (the "Series 2018C School Districts") providing, among other things, for a loan to each of the Series 2018C School Districts for the purposes permitted thereby and by the Resolution and the Series 2018 Resolution. With respect to the Series 2018D Bonds, the Authority has entered into a Financing Agreement, dated as of April 11, 2018 (the "Series 2018D Financing Agreement"), with the school district identified on Schedule A under the caption "Series 2018D School District" (the "Series 2018D School District") providing, among other things, for a loan to the Series 2018D School District for the purposes permitted thereby and by the Resolution and the Series 2018 Resolution. With respect to the Series 2018E Bonds, the Authority has entered into a Financing Agreement, dated as of April 11, 2018 (the "Series 2018E Financing Agreements" and, collectively with the Series 2018A Financing Agreements, the Series 2018B Financing Agreements, the Series 2018C Financing Agreements and the Series 2018D Financing Agreement, the "Financing Agreements"), with each of the school districts

identified on Schedule A under the caption "Series 2018E School Districts" (the "Series 2018E School Districts" and, collectively with the Series 2018A School Districts, the Series 2018B School Districts, the Series 2018C School Districts and the Series 2018D School District, the "School Districts") providing, among other things, for a loan to each of the Series 2018E School Districts for the purposes permitted thereby and by the Resolution and the Series 2018 Resolution. Pursuant to the Series 2018A Financing Agreements, the Series 2018A 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 2018A 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 2018A Bonds. Pursuant to the Series 2018B Financing Agreements, the Series 2018B 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 2018B 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 2018B Bonds. Pursuant to the Series 2018C Financing Agreements, the Series 2018C 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 2018C 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 2018C Bonds. Pursuant to the Series 2018D Financing Agreement, the Series 2018D 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 2018D 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 2018D Bonds. Pursuant to the Series 2018E Financing Agreements, the Series 2018E 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 2018E 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 2018E 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.
- The Series 2018A 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 Series 2018 Resolution, will be payable solely from the sources provided therefor in the Resolution and the Series 2018 Resolution, and will be entitled to the benefit of the Resolution, the Series 2018 Resolution and the Act. The Series 2018B 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 Series 2018 Resolution, will be payable solely from the sources provided therefor in the Resolution and the Series 2018 Resolution, and will be entitled to the benefit of the Resolution, the Series 2018 Resolution and the Act. The Series 2018C 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 Series 2018 Resolution, will be payable solely from the sources provided therefor in the Resolution and the Series 2018 Resolution, and will be entitled to the benefit of the Resolution, the Series 2018 Resolution and the Act. The Series 2018D 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 Series 2018 Resolution, will be payable solely from the sources provided therefor in the Resolution and the Series 2018 Resolution, and will be entitled to the benefit of the Resolution, the Series 2018 Resolution and the Act. The Series 2018E 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 Series 2018 Resolution, will be payable solely from the sources provided therefor in the Resolution and the Series 2018 Resolution, and will be entitled to the benefit of the Resolution, the Series 2018 Resolution and the Act.
- 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 Series 2018 Resolution create a valid pledge, to secure the payment of the principal of and interest on the Series 2018A Bonds, of the Revenues and any other amounts (including proceeds of the sale of the Series 2018A Bonds) held by the Trustee in any fund or account established pursuant to the Resolution and the Series 2018 Resolution in respect of the Series 2018A Bonds, except the Arbitrage Rebate Fund, subject to the provisions of the Resolution and the Series 2018 Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution and the Series 2018 Resolution. The Resolution and the Series 2018 Resolution create a valid pledge, to secure the payment of the principal of and interest on the Series 2018B Bonds, of the Revenues and any other amounts (including proceeds of the sale of the Series 2018B Bonds) held by the Trustee in any fund or account established pursuant to the Resolution and the Series 2018 Resolution in respect of the Series 2018B Bonds, except the Arbitrage Rebate Fund, subject to the provisions of the Resolution and the Series 2018 Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution and the Series 2018 Resolution. The Resolution and the Series 2018 Resolution create a valid pledge, to secure the payment of the principal of and interest on the Series 2018C Bonds, of the Revenues and any other amounts (including proceeds of the sale of the Series 2018C Bonds) held by the Trustee in any fund or account established pursuant to the Resolution and the Series 2018 Resolution in respect of the Series 2018C Bonds, except the Arbitrage Rebate Fund, subject to the provisions of the Resolution and the Series 2018 Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution and the Series 2018 Resolution. The Resolution and the Series 2018 Resolution create a valid pledge, to secure the payment of the principal of and interest on the Series 2018D Bonds, of the Revenues and any other amounts (including proceeds of the sale of the Series 2018D Bonds) held by the Trustee in any fund or account established pursuant to the Resolution and the Series 2018 Resolution in respect of the Series 2018D Bonds, except the Arbitrage Rebate Fund, subject to the provisions of the Resolution and the

Series 2018 Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution and the Series 2018 Resolution. The Resolution and the Series 2018 Resolution create a valid pledge, to secure the payment of the principal of and interest on the Series 2018E Bonds, of the Revenues and any other amounts (including proceeds of the sale of the Series 2018E Bonds) held by the Trustee in any fund or account established pursuant to the Resolution and the Series 2018 Resolution in respect of the Series 2018E Bonds, except the Arbitrage Rebate Fund, subject to the provisions of the Resolution and the Series 2018 Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution and the Series 2018 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 alternative minimum tax. 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 2018A School Districts:

Adirondack Central School District

Bath Central School District

Beaver River Central School District

Bemus Point Central School District

City School District of the City of Binghamton

Canton Central School District

Central Valley Central School District

Cincinnatus Central School District

Cortland Enlarged City School District

Duanesburg Central School District

City School District of the City of Dunkirk

East Bloomfield Central School District

Elmira Heights Central School District

Frankfort-Schuyler Central School District

Geneseo Central School District

Gouverneur Central School District

Greece Central School District

Harpursville Central School District

Herkimer Central School District

Heuvelton Central School District

Highland Central School District

City School District of the City of Hornell

Indian River Central School District at Philadelphia

Jordan-Elbridge Central School District

Lansing Central School District

Le Roy Central School District

Lewiston-Porter Central School District

Liverpool Central School District

Lyncourt Union Free School District

Moravia Central School District

Mount Markham Central School District

Norwood-Norfolk Central School District

Oakfield-Alabama Central School District City School District of the City of Oneida

Oxford Academy and Central School District

Portville Central School District

Rotterdam-Mohonasen Central School

Salmon River Central School District

Scotia-Glenville Central School District

Sodus Central School District

Solvay Union Free School District

Spencerport Central School District

Starpoint Central School District

Ticonderoga Central School District

Van Hornesville-Owen D. Young Central School District

Waverly Central School District

Westfield Central School District

Series 2018B School Districts:

Baldwinsville Central School District Clarence Central School District

Series 2018C School Districts:

Fairport Central School District Fayetteville-Manlius Central School District Northville Central School District

Series 2018D School District:

Pittsford Central School District

Series 2018E School Districts:

City School District of the City of Schenectady South Colonie Central School District City School District of the City of Utica

Form of Approving Opinion of Marous Law Group, P.C.

[], 2018

Dormitory Authority of the State of New York 515 Broadway Albany, New York 12207

Re:

[\$506,735,000 Dormitory Authority of the State of New York School Districts Revenue Bond Financing Program Revenue Bonds, consisting of \$423,535,000 Series 2018A (the "Series 2018A Bonds"), \$29,015,000 Series 2018B (the "Series 2018B Bonds"), \$29,155,000 Series 2018C (the "Series 2018C Bonds") and \$25,030,000 Series 2018D (the "Series 2018D Bonds")] [\$78,495,000 Dormitory Authority of the State of New York School Districts Revenue Bond Financing Program Revenue Bonds, Series 2018E (the "Series 2018E Bonds")]

Ladies and Gentlemen:

We have acted as co-bond counsel to the Dormitory Authority of the State of New York (the "Authority") in connection with the issuance of \$[506,735,000][78,495,000] 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 Amended and Restated Master School Districts Revenue Bond Financing Program Revenue Bond Resolution, adopted on February 7, 2018 (the "Resolution"), and the Authority's Amended and Restated Supplemental Resolution 2018-1 Authorizing Up To \$750,000,000 School Districts Revenue Bond Financing Program Revenue Bonds adopted April 11, 2018, including the applicable Bond Series Certificate executed and delivered concurrently with the issuance of each Series of the Series 2018 Bonds (the "Series 2018 Resolution"). The Resolution and the Series 2018 Resolution are herein collectively referred to as the "Resolutions." Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolutions.

With respect to the Series 2018A Bonds, the Authority has entered into a Financing Agreement, dated as of April 11, 2018 (the "Series 2018A Financing Agreements"), with each of the school districts identified on Schedule A under the caption "Series 2018A School Districts" (the "Series 2018A School Districts") providing, among other things, for a loan to each of the Series 2018A School Districts for the purposes permitted thereby and by the Resolution and the Series 2018 Resolution. With respect to the Series 2018B Bonds, the Authority has entered into a Financing Agreement, dated as of April 11, 2018 (the "Series 2018B Financing Agreements"), with each of the school districts identified on Schedule A under the caption "Series 2018B School Districts" (the "Series 2018B School Districts") providing, among other things, for a loan to each of the Series 2018B School Districts for the purposes permitted thereby and by the Resolution and the Series 2018 Resolution. With respect to the Series 2018C Bonds, the Authority has entered into a Financing Agreement, dated as of April 11, 2018 (the "Series 2018C Financing Agreements"), with each of the school districts identified on Schedule A under the caption "Series 2018C School Districts" (the "Series 2018C School Districts") providing, among other things, for a loan to each of the Series 2018C School Districts for the purposes permitted thereby and by the Resolution and the Series 2018 Resolution. With respect to the Series 2018D Bonds, the Authority has entered into a Financing Agreement, dated as of April 11, 2018 (the "Series 2018D Financing Agreement"), with the school district identified on Schedule A under the caption "Series 2018D School District" (the "Series 2018D School District") providing, among other things, for a loan to the Series 2018D School District for the purposes permitted thereby and by the Resolution and the Series 2018 Resolution. With respect to the Series 2018E Bonds, the Authority has entered into a Financing Agreement, dated as of April 11, 2018 (the "Series 2018E Financing Agreements" and, collectively with the Series 2018A Financing Agreements, the Series 2018B Financing Agreements, the Series 2018C Financing Agreements

and the Series 2018D Financing Agreement, the "Financing Agreements"), with each of the school districts identified on Schedule A under the caption "Series 2018E School Districts" (the "Series 2018E School Districts" and, collectively with the Series 2018A School Districts, the Series 2018B School Districts, the Series 2018C School Districts and the Series 2018D School District, the "School Districts") providing, among other things, for a loan to each of the Series 2018E School Districts for the purposes permitted thereby and by the Resolution and the Series 2018 Resolution. Pursuant to the Series 2018A Financing Agreements, the Series 2018A 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 2018A 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 2018A Bonds. Pursuant to the Series 2018B Financing Agreements, the Series 2018B 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 2018B 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 2018B Bonds. Pursuant to the Series 2018C Financing Agreements, the Series 2018C 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 2018C 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 2018C Bonds. Pursuant to the Series 2018D Financing Agreement, the Series 2018D 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 2018D 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 2018D Bonds. Pursuant to the Series 2018E Financing Agreements, the Series 2018E 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 2018E 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 2018E 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. 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.
- The Series 2018A 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 Series 2018 Resolution, will be payable solely from the sources provided therefor in the Resolution and the Series 2018 Resolution, and will be entitled to the benefit of the Resolution, the Series 2018 Resolution and the Act. The Series 2018B 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 Series 2018 Resolution, will be payable solely from the sources provided therefor in the Resolution and the Series 2018 Resolution, and will be entitled to the benefit of the Resolution, the Series 2018 Resolution and the Act. The Series 2018C 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 Series 2018 Resolution, will be payable solely from the sources provided therefor in the Resolution and the Series 2018 Resolution, and will be entitled to the benefit of the Resolution, the Series 2018 Resolution and the Act. The Series 2018D 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 Series 2018 Resolution, will be payable solely from the sources provided therefor in the Resolution and the Series 2018 Resolution, and will be entitled to the benefit of the Resolution, the Series 2018 Resolution and the Act. The Series 2018E 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 Series 2018 Resolution, will be payable solely from the sources provided therefor in the Resolution and the Series 2018 Resolution, and will be entitled to the benefit of the Resolution, the Series 2018 Resolution and the Act.
- 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 Series 2018 Resolution create a valid pledge, to secure the payment of the principal of and interest on the Series 2018A Bonds, of the Revenues and any other amounts (including proceeds of the sale of the Series 2018A Bonds) held by the Trustee in any fund or account established pursuant to the Resolution and the Series 2018 Resolution in respect of the Series 2018A Bonds, except the Arbitrage Rebate Fund, subject to the provisions of the Resolution and the Series 2018 Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution and the Series 2018 Resolution. The Resolution and the Series 2018 Resolution create a valid pledge, to secure the payment of the principal of and interest on the Series 2018B Bonds, of the Revenues and any other amounts (including proceeds of the sale of the Series 2018B Bonds) held by the Trustee in any fund or account established pursuant to the Resolution and the Series 2018 Resolution in respect of the Series 2018B Bonds, except the Arbitrage Rebate Fund, subject to the provisions of the Resolution and the Series 2018 Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution and the Series 2018 Resolution. The Resolution and the Series 2018 Resolution create a valid pledge, to secure the payment of the principal of and interest on the Series 2018C Bonds, of the Revenues and any other amounts (including proceeds of the sale of the Series 2018C Bonds) held by the Trustee in any fund or account established pursuant to the Resolution and the Series 2018 Resolution in respect of the Series 2018C Bonds, except the Arbitrage Rebate Fund, subject to the provisions of the Resolution and the Series 2018 Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution and the Series 2018 Resolution. The Resolution and the Series 2018 Resolution create a valid pledge, to secure the payment of the principal of and interest on the Series 2018D Bonds, of the Revenues and any other amounts (including proceeds of the sale of the Series 2018D Bonds) held by the Trustee in any fund or account established pursuant to the Resolution and the Series 2018 Resolution in respect of the Series 2018D Bonds, except the Arbitrage Rebate Fund, subject to the provisions of the Resolution and the Series 2018 Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution and the Series 2018 Resolution. The Resolution and the Series 2018 Resolution create a valid

pledge, to secure the payment of the principal of and interest on the Series 2018E Bonds, of the Revenues and any other amounts (including proceeds of the sale of the Series 2018E Bonds) held by the Trustee in any fund or account established pursuant to the Resolution and the Series 2018 Resolution in respect of the Series 2018E Bonds, except the Arbitrage Rebate Fund, subject to the provisions of the Resolution and the Series 2018 Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution and the Series 2018 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.

Faithfully yours,

Schedule A

Series 2018A School Districts:

Adirondack Central School District

Bath Central School District

Beaver River Central School District

Bemus Point Central School District

City School District of the City of Binghamton

Canton Central School District

Central Valley Central School District

Cincinnatus Central School District

Cortland Enlarged City School District

Duanesburg Central School District

City School District of the City of Dunkirk

East Bloomfield Central School District

Elmira Heights Central School District

Frankfort-Schuyler Central School District

Geneseo Central School District

Gouverneur Central School District

Greece Central School District

Harpursville Central School District

Herkimer Central School District

Heuvelton Central School District

Highland Central School District

City School District of the City of Hornell

Indian River Central School District at Philadelphia

Jordan-Elbridge Central School District

Lansing Central School District

Le Roy Central School District

Lewiston-Porter Central School District

Liverpool Central School District

Lyncourt Union Free School District

Moravia Central School District

Mount Markham Central School District

Norwood-Norfolk Central School District

Oakfield-Alabama Central School District

City School District of the City of Oneida Oxford Academy and Central School District

Portville Central School District

Rotterdam-Mohonasen Central School

Salmon River Central School District

Scotia-Glenville Central School District

Sodus Central School District

Solvay Union Free School District

Spencerport Central School District

Starpoint Central School District

Ticonderoga Central School District

Van Hornesville-Owen D. Young Central School District

Waverly Central School District

Westfield Central School District

Series 2018B School Districts:

Baldwinsville Central School District Clarence Central School District

Series 2018C School Districts:

Fairport Central School District Fayetteville-Manlius Central School District Northville Central School District

Series 2018D School District:

Pittsford Central School District

Series 2018E School Districts:

City School District of the City of Schenectady South Colonie Central School District City School District of the City of Utica

FORM OF CONTINUING DISCLOSURE AGREEMENT



FORM OF CONTINUING DISCLOSURE AGREEMENT

THIS AGREEMENT, dated the date of issuance of the Bonds (defined below) (the "Agreement"), is made by and among the Authority, the School District and the Trustee, each as defined below in Section 1.

In order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 (as hereinafter defined), the parties hereto, in consideration of the mutual covenants herein contained and other good and lawful consideration, hereby agree for the sole and exclusive benefit of the Holders as follows:

Section 1. Definitions. Capitalized terms used but not defined herein as follows shall have the meaning ascribed to them in Rule 15c2-12, or to the extent not in conflict with Rule 15c2-12, in the Resolution.

"Agreement" shall mean this Agreement as the same from time to time may be amended and supplemented in accordance with the terms hereof.

"Annual Information" shall mean the information specified in Section 3 hereof.

"Authority" shall mean the Dormitory Authority of the State of New York, a public benefit corporation of the State of New York and the issuer of the Bonds, and any successor thereto.

"Bonds" shall mean the Dormitory Authority of the State of New York School Districts Revenue Bond Financing Program Bonds, Series 2018A, Series 2018B, Series 2018C, Series 2018D and Series 2018E.

"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 Amended and Restated Master School Districts Financing Program Revenue Bond Resolution, together with the Supplemental 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.

"Trustee" shall mean The Bank of New York Mellon, New York, New York, 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) <u>Termination of Disclosure Obligation.</u> 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) <u>Electronic Format.</u> 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) <u>Specified Information</u>. 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) <u>Cross Reference.</u> 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) <u>Informational Categories</u>. 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.

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.

[Remainder of page left blank intentionally]

IN WITNESS WHEREOF, the undersigned have duly authorized, executed and delivered this Agreement.

| THE BANK OF NEW YORK MELLON, as Trustee fo the benefit of the Bondholders | THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK, Issuer | | |
|---|--|--|--|
| By:Authorized Officer | By: Authorized Officer | | |
| SCHOOL DISTRICT: Obligated Person | | | |
| By: Name: Title: | | | |

| SCHEDULE A TO CONTINUING DISCLOSURE A DATED, 2018 | GREEMENT |
|---|--|
| SCHOOL DISTRICT | |
| The table below identifies the maturity dates and CUSIP numbers for the DOI STATE OF NEW YORK SCHOOL DISTRICTS REVENUE BOND FIN BONDS, SERIES 2018 payment of which (in whole or in part) is supposinterest on bonds issued by the above-referenced School District on | NANCING PROGRAM REVENUE rted by payments of principal of and |
| <u>Due</u> <u>CUSIP</u> | |



SPECIMEN MUNICIPAL BOND INSURANCE POLICY





MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No: -N

BONDS: \$ in aggregate principal amount of Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which heen recovered from such Owner pursuant

Page 2 of 2 Policy No. -N

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.



A subsidiary of Assured Guaranty Municipal Holdings Inc. 1633 Broadway, New York, N.Y. 10019 (212) 974-0100

Form 500NY (5/90)





