

**SUPPLEMENT TO**

**\$104,215,000**

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

**\$41,325,000  
SERIES 2015A**

**\$57,040,000  
SERIES 2015B**

**\$5,850,000  
SERIES 2015C**

Due to printer error the yield for the October 1, 2027 maturity for the Dormitory Authority of the State of New York School Districts Revenue Bond Financing Program Revenue Bonds, Series 2015A was incorrectly stated in the final Official Statement for such bonds. The correct yield for such bonds is 2.710% and such bonds were priced at the stated yield to the October 1, 2025 optional redemption date at a redemption price of 100% of the principal amount of such bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.



**DASNY**  
DORMITORY AUTHORITY STATE OF NEW YORK

<b>\$104,215,000</b>		
<b>DORMITORY AUTHORITY OF THE STATE OF NEW YORK</b>		
<b>SCHOOL DISTRICTS REVENUE BOND FINANCING PROGRAM REVENUE BONDS</b>		
<b>\$41,325,000</b>	<b>\$57,040,000</b>	<b>\$5,850,000</b>
<b>SERIES 2015A</b>	<b>SERIES 2015B</b>	<b>SERIES 2015C</b>
<b>Dated: Date of Delivery</b>		<b>Due: As shown on the inside cover</b>

**Payment and Security:** The School Districts Revenue Bond Financing Program Revenue Bonds, Series 2015A (the "Series 2015A Bonds"), the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2015B (the "Series 2015B Bonds") and the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2015C (the "Series 2015C Bonds" and, together with the Series 2015A Bonds and the Series 2015B Bonds, the "Series 2015 Bonds"), will be special obligations of the Dormitory Authority of the State of New York ("DASNY"), payable solely from and secured by a pledge of payments to be made by the applicable School Districts described in Appendix B hereto (collectively, the "School Districts") in the State of New York (the "State") pursuant to the applicable Financing Agreements (collectively the "Agreements"), dated as of March 1, 2015, between DASNY and such School Districts, and all funds and accounts (except the Arbitrage Rebate Fund) authorized under DASNY's Master School Districts Revenue Bond Financing Program Revenue Bond Resolution adopted May 29, 2002, as amended and supplemented (the "Master Resolution"), and established by DASNY's Series Resolutions, adopted April 9, 2014, authorizing such Series (individually, the "Series 2015A Resolution," the "Series 2015B Resolution" and the "Series 2015C Resolution" and, together, the "Series 2015 Resolutions"). The Master Resolution and the Series 2015 Resolutions are herein collectively referred to as the "Resolutions." None of the funds and accounts established under a Series Resolution to secure a Series of Bonds shall secure any other Series of Bonds. There is no debt service reserve fund securing the Series 2015 Bonds and no real property of any School District secures the Series 2015 Bonds.

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

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

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

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

**Bond Insurance:** The scheduled payment of principal of and interest on the Series 2015 Bonds when due will be guaranteed under separate municipal bond insurance policies for each Series of the Series 2015 Bonds (collectively, the "Policy") to be issued concurrently with the delivery of the Series 2015 Bonds by Assured Guaranty Municipal Corp. ("AGM" or the "Insurer").



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

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

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

**Tax Exemption:** In the opinion of Squire Patton Boggs (US) LLP and D. Seaton and Associates, Co-Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2015 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (ii) interest on the Series 2015 Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. Interest on the Series 2015 Bonds may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax on a portion of that interest. For a more complete discussion of the tax aspects, see "PART 10 – TAX MATTERS" herein.

*The Series 2015 Bonds are offered when, as and if issued and received by the Underwriters. The offer of the Series 2015 Bonds may be subject to prior sale or may be withdrawn or modified at any time without notice. The offer is subject to the approval of legality by Squire Patton Boggs (US) LLP, New York, New York, and D. Seaton and Associates, New York, New York, Co-Bond Counsel to DASNY, and to certain other conditions. Certain legal matters will be passed upon for the Underwriters by their co-counsel, Winston & Strawn LLP, New York, New York, and the Law Offices of Joseph C. Reid, P.A., New York, New York, and for each School District by its respective bond counsel as listed in Appendix B hereto. DASNY expects to deliver the Series 2015 Bonds in New York, New York, on or about April 29, 2015.*

**Raymond James  
Jefferies**

**Roosevelt & Cross Incorporated  
RBC Capital Markets**

**\$104,215,000**  
**DORMITORY AUTHORITY OF THE STATE OF NEW YORK**  
**SCHOOL DISTRICTS REVENUE BOND FINANCING PROGRAM REVENUE BONDS**

**\$41,325,000**  
**SERIES 2015A**

<u>Due</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP<sup>(1)</sup></u>	<u>Due</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP<sup>(1)</sup></u>
Oct. 1, 2015	\$ 90,000	3.000%	0.250%	64990BAA1	Apr. 1, 2023	\$ 545,000	4.000%	2.130%	64990BAR4
Apr. 1, 2016	60,000	3.000	0.310	64990BAB9	Oct. 1, 2023	3,550,000	5.000	2.200	64990BAS2
Oct. 1, 2016	15,000	3.000	0.510	64990BAC7	Apr. 1, 2024	565,000	4.000	2.290	64990BAT0
Apr. 1, 2017	55,000	3.000	0.690	64990BAD5	Oct. 1, 2024	3,730,000	5.000	2.340	64990BAU7
Oct. 1, 2017	1,240,000	4.000	0.880	64990BAE3	Oct. 1, 2025	1,195,000	5.000	2.450	64990BAV5
Apr. 1, 2018	55,000	3.000	1.040	64990BAF0	Oct. 1, 2026	1,260,000	5.000	2.580 <sup>(2)</sup>	64990BAW3
Oct. 1, 2018	1,295,000	4.000	1.180	64990BAG8	Oct. 1, 2027	1,325,000	5.000	will be	64990BAX1
Apr. 1, 2019	470,000	4.000	1.320	64990BAH6	Oct. 1, 2028	1,390,000	5.000	2.800 <sup>(2)</sup>	64990BAY9
Oct. 1, 2019	3,375,000	5.000	1.420	64990BAJ2	Oct. 1, 2029	1,465,000	5.000	2.880 <sup>(2)</sup>	64990BAZ6
Apr. 1, 2020	485,000	4.000	1.520	64990BAK9	Oct. 1, 2030	1,535,000	5.000	2.950 <sup>(2)</sup>	64990BBA0
Oct. 1, 2020	3,070,000	5.000	1.620	64990BAL7	Oct. 1, 2031	1,615,000	5.000	3.010 <sup>(2)</sup>	64990BBB8
Apr. 1, 2021	505,000	4.000	1.730	64990BAM5	Oct. 1, 2032	1,700,000	5.000	3.060 <sup>(2)</sup>	64990BBC6
Oct. 1, 2021	3,225,000	5.000	1.840	64990BAN3	Oct. 1, 2033	1,770,000	3.375	3.500	64990BBD4
Apr. 1, 2022	525,000	4.000	1.950	64990BAP8	Oct. 1, 2034	1,830,000	3.375	3.540	64990BBE2
Oct. 1, 2022	3,385,000	5.000	2.030	64990BAQ6					

**\$57,040,000**  
**SERIES 2015B**

<u>Due</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP<sup>(1)</sup></u>	<u>Due</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP<sup>(1)</sup></u>
Oct. 1, 2015	\$ 60,000	3.000%	0.300%	64990BBF9	Apr. 1, 2021	\$ 1,385,000	5.000%	1.800%	64990BBW2
Apr. 1, 2016	240,000	3.000	0.360	64990BBR3	Oct. 1, 2021	6,260,000	5.000	1.910	64990BBM4
Oct. 1, 2016	20,000	3.000	0.560	64990BBG7	Apr. 1, 2022	1,455,000	5.000	2.020	64990BBX0
Apr. 1, 2017	160,000	4.000	0.740	64990BBS1	Oct. 1, 2022	4,055,000	5.000	2.100	64990BBN2
Oct. 1, 2017	25,000	4.000	0.930	64990BBH5	Apr. 1, 2023	1,540,000	5.000	2.200	64990BBY8
Apr. 1, 2018	360,000	4.000	1.090	64990BBT9	Oct. 1, 2023	1,980,000	5.000	2.270	64990BBP7
Oct. 1, 2018	3,935,000	4.000	1.230	64990BBJ1	Apr. 1, 2024	1,605,000	5.000	2.360	64990BBZ5
Apr. 1, 2019	1,265,000	5.000	1.390	64990BBU6	Oct. 1, 2024	2,085,000	5.000	2.410	64990BBQ5
Oct. 1, 2019	5,680,000	5.000	1.490	64990BBK8	Apr. 1, 2025	1,705,000	5.000	2.480	64990BCA9
Apr. 1, 2020	1,325,000	5.000	1.590	64990BBV4	Oct. 1, 2025	110,000	4.000	2.520	64990BCM3
Oct. 1, 2020	5,970,000	5.000	1.690	64990BBL6					

**\$1,895,000 5.000% Term Bonds due October 1, 2026, Yield: 2.650%<sup>(2)</sup> CUSIP<sup>(1)</sup> 64990BCB7**  
**\$2,010,000 5.000% Term Bonds due October 1, 2027, Yield: 2.760%<sup>(2)</sup> CUSIP<sup>(1)</sup> 64990BCC5**  
**\$2,105,000 5.000% Term Bonds due October 1, 2028, Yield: 2.850%<sup>(2)</sup> CUSIP<sup>(1)</sup> 64990BCD3**  
**\$1,470,000 5.000% Term Bonds due October 1, 2029, Yield: 2.930%<sup>(2)</sup> CUSIP<sup>(1)</sup> 64990BCE1**  
**\$915,000 3.250% Term Bonds due October 1, 2030, Yield: 3.350% CUSIP<sup>(1)</sup> 64990BCF8**  
**\$960,000 3.250% Term Bonds due October 1, 2031, Yield: 3.430% CUSIP<sup>(1)</sup> 64990BCG6**  
**\$970,000 3.375% Term Bonds due October 1, 2032, Yield: 3.480% CUSIP<sup>(1)</sup> 64990BCH4**  
**\$1,010,000 5.000% Term Bonds due October 1, 2033, Yield: 3.150%<sup>(2)</sup> CUSIP<sup>(1)</sup> 64990BCJ0**  
**\$1,070,000 5.000% Term Bonds due October 1, 2034, Yield: 3.190%<sup>(2)</sup> CUSIP<sup>(1)</sup> 64990BCK7**  
**\$1,130,000 5.000% Term Bonds due October 1, 2035, Yield: 3.220%<sup>(2)</sup> CUSIP<sup>(1)</sup> 64990BCL5**  
**\$2,285,000 5.000% Term Bonds due April 1, 2039, Yield: 3.290%<sup>(2)</sup> CUSIP<sup>(1)</sup> 64990BCN1**

**\$5,850,000**  
**SERIES 2015C**

<u>Due</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP<sup>(1)</sup></u>	<u>Due</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP<sup>(1)</sup></u>
Oct. 1, 2015	\$ 95,000	3.000%	0.250%	64990BCP6	Oct. 1, 2020	\$ 940,000	4.000%	1.620%	64990BCU5
Oct. 1, 2016	150,000	3.000	0.510	64990BCQ4	Oct. 1, 2021	970,000	2.000	1.840	64990BCV3
Oct. 1, 2017	155,000	3.000	0.880	64990BCR2	Oct. 1, 2022	900,000	2.000	2.030	64990BCW1
Oct. 1, 2018	160,000	3.000	1.180	64990BCS0	Oct. 1, 2023	1,000,000	2.000	2.200	64990BCX9
Oct. 1, 2019	905,000	4.000	1.420	64990BCT8	Oct. 1, 2024	485,000	2.250	2.340	64990BCY7

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

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

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

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

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

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

AGM makes no representation regarding the Series 2015 Bonds or the advisability of investing in the Series 2015 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 2015 BONDS – Bond Insurance" and "Appendix H – Specimen Municipal Bond Insurance Policy."

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

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

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

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

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

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

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

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

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**OFFICIAL STATEMENT RELATING TO**

**\$104,215,000**

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

**SCHOOL DISTRICTS REVENUE BOND FINANCING PROGRAM REVENUE BONDS**

<b>\$41,325,000</b> <b>SERIES 2015A</b>	<b>\$57,040,000</b> <b>SERIES 2015B</b>	<b>\$5,850,000</b> <b>SERIES 2015C</b>
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**PART 1 – INTRODUCTION**

**Purpose of the Official Statement**

The purpose of this Official Statement, including the cover page, inside cover page and appendices, is to provide information about DASNY and the School Districts in connection with the offering by DASNY of \$41,325,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2015A (the “Series 2015A Bonds”), \$57,040,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2015B (the “Series 2015B Bonds”) and \$5,850,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2015C (the “Series 2015C Bonds” and, together with the Series 2015A Bonds and the Series 2015B Bonds, the “Series 2015 Bonds”).

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

**Purpose of the Series**

The Series 2015 Bonds are being issued and the proceeds thereof together with other funds available to DASNY will be used to refund certain of DASNY’s outstanding School Districts Revenue Bond Financing Program Revenue Bonds identified in Appendix G (the “Refunded Bonds”) that were originally issued to finance all or a portion of the costs of school district capital facilities and school district capital equipment (as described in each School District’s Agreement (defined below) in respect of the Applicable Series of Series 2015 Bonds). Proceeds from the sale of the Series 2015 Bonds will be used to (i) provide, together with other available funds, for payment of the principal and redemption price of and accrued interest to the respective redemption dates of the Refunded Bonds and (ii) pay the Costs of Issuance of the Applicable Series of Series 2015 Bonds. The applicable School Districts for which the Series 2015A Bonds are being issued are: the Cobleskill-Richmondville Central School District, the City School District of the City of Peekskill and the South Seneca Central School District. The applicable School Districts for which the Series 2015B Bonds are being issued are: the Enlarged City School District of the City of Gloversville, the Mount Markham Central School District, the Phoenix Central School District and the

Wyoming Central School District. The applicable School District for which the Series 2015C Bonds are being issued is: the Chenango Forks Central School District. See “PART 5 – THE REFUNDING PLAN” and “PART 6 – ESTIMATED SOURCES AND USES OF FUNDS.”

### **Authorization of Issuance**

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

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

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

### **DASNY**

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

### **The School Districts**

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

### **The Series 2015 Bonds**

The Series 2015 Bonds will be dated their date of delivery and will bear interest from such date of delivery at the rates and will mature on the dates set forth on the inside cover page of this Official Statement. Interest on the Series 2015 Bonds is payable each April 1 and October 1, commencing October 1, 2015. See “PART 3 – THE SERIES 2015 BONDS – Description of the Series 2015 Bonds.”

## **Payment of the Series 2015 Bonds**

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

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

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

## **Security for the Series 2015 Bonds**

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

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

The primary component of Pledged Revenues assigned and pledged by the School Districts to DASNY consists of State aid payable to the School Districts. The determination of the amount of State aid and the apportionment of such State aid are legislative acts and the State Legislature may amend or repeal the statutes



relating to State aid and the formulas which determine the amount of State aid payable to the School Districts. Such amendments could result in the increase, decrease or elimination of the amount of the Pledged Revenues available for the payment of debt service on the Series 2015 Bonds. The financial condition of the State may affect the amount of State aid appropriated by the State Legislature and apportioned to school districts in the State.

See “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2015 BONDS – Security for the Series 2015 Bonds,” “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 the Series 2015 Bonds when due will be guaranteed under separate municipal bond insurance policies for each Series of the Series 2015 Bonds (collectively, the “Policy”) to be issued concurrently with the delivery of the Series 2015 Bonds by Assured Guaranty Municipal Corp. (“AGM” or the “Insurer”). See “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2015 BONDS – Bond Insurance.”

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

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

## **Payment of the Series 2015 Bonds**

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

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

No School District will be responsible for the payment obligations of any other School District nor will the Pledged Revenues pledged and assigned by a School District be available to satisfy the obligation of any other School District. A failure to pay an amount when due by a single School District under its Agreement in respect of a Series of the Series 2015 Bonds may result in an intercept of the Pledged Revenues of such School District in an amount required to pay such deficiency. If such Pledged Revenues are insufficient to pay the full amount of the deficiency, then, to the extent such deficiency corresponds to the Series 2015 Bonds, the only source of payment for the Series 2015 Bonds will be the payment made by the Insurer under the Policy. If a School District fails to pay amounts due under its Agreement, DASNY’s sole recourse will be against the defaulting School District and no other School District. Further, upon the occurrence of an event of default, none of DASNY, the Trustee or the holders of the Series 2015 Bonds will have the right to accelerate the obligation of the defaulting School District under its Agreement. See in this PART 2 “– Bond Insurance.”

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

### **Security for the Series 2015 Bonds**

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

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

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

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

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

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

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

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

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

**Additional Bonds and Other Indebtedness**

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

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

<u>School Districts</u>	<u>Series of Bonds</u>
Chenango Forks Central School District	2008C
Cobleskill-Richmondville Central School District	2008C and 2012F
Enlarged City School District of the City of Gloversville	2007A, 2007B and 2012F
Mount Markham Central School District	2008D
City School District of the City of Peekskill	2005D, 2006A and 2014F
Phoenix Central School District	2008C and 2010C
South Seneca Central School District	2008D
Wyoming Central School District	2008C

The Refunded Bonds are listed in Appendix G hereto.

The Resolutions and the MOU also provide that, to the extent that (i) DASNY issues more than one Series of Bonds to finance Loans to a particular school district, (ii) DASNY does not receive sufficient payments from such school district to meet such school district’s payment obligations with respect to all such Series of Bonds and (iii) the State aid payable to such school district is insufficient to fully make up such deficiency, then the Comptroller

will pay a proportionate amount of the available State aid to the trustee for each such Series of Bonds until such deficiency is made up.

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

## **General**

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

## **Defaults and Remedies under the Agreement**

Among the events which would constitute an “event of default” under an Agreement 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 in this PART 2 “– Security for the Series 2015 Bonds.” In the event any other event of default happens and continues, DASNY may exercise a number of remedies, including such remedies as are available to the holder of the School District Bonds, and any other remedies available at law or in equity. *In no event may any “event of default” under an Agreement cause an acceleration of the amounts due under such Agreement.*

## **Default and Remedies under the Master Resolution**

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

The Master Resolution provides that if an “event of default” occurs and continues, the Trustee may proceed, and upon the written request of an Applicable Facility Provider of a Series or of the Holders of not less than 25% in principal amount of the Outstanding Bonds of such Series will proceed (in either case, with the consent of an Applicable Facility Provider of such Series) or, in the case of a happening and continuance of an “event of default” specified in clause (ii) above, upon the written request of an Applicable Facility Provider of a Series or of the Holders of not less than 25% in principal amount of the Outstanding Bonds of such Series with the consent of the Applicable Facility Provider of such Series, will proceed to the provisions of the Master Resolution), to protect and enforce its rights and the rights of the Bondholders or of such Applicable Facility Provider under the Master Resolution or Applicable Series Resolution or under the laws of the State by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant contained under the Master Resolution or Applicable Series Resolution or in aid or execution of any power therein granted, or for an accounting against DASNY as if DASNY were the trustee of an express trust, or for the enforcement of any proper legal or equitable remedy as the Trustee deems most effectual to protect and enforce such rights. *In no event may an “event of default” cause an acceleration of any Series of Bonds under the Master Resolution.*

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

With respect to the Series 2015 Bonds, so long as the Insurer is not in default under the Policy, the Trustee must exercise remedies at the direction of the Insurer and may not exercise remedies at the direction of the Holders without the consent of the Insurer.

### **The Refunding Plan**

The Refunded Bonds will be refunded with a portion of the proceeds of the Series 2015 Bonds. The Refunded Bonds will be called for redemption on the following dates, each at a redemption price equal to 100% of the principal amount of such series of Refunded Bonds, plus accrued and unpaid interest to the applicable redemption date:

<u>Series</u>	<u>Redemption Date</u>
2006A	October 1, 2016
2007A	October 1, 2017
2007B	October 1, 2017
2008C	October 1, 2018
2008D	October 1, 2018

See “PART 5 – THE REFUNDING PLAN.”

### **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 Series 2015 Bonds, AGM will issue its Policy for each of the Series of the Series 2015 Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Series 2015 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 Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("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 November 13, 2014, KBRA assigned an insurance financial strength rating of "AA+" (stable outlook) to AGM. AGM can give no assurance as to any further ratings action that KBRA may take.

On July 2, 2014, S&P issued a credit rating report in which it affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On July 2, 2014, Moody's issued a rating action report stating that it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). In February 2015, Moody's published a credit opinion under its new financial guarantor ratings methodology maintaining its existing rating and outlook on AGM. AGM can give no assurance as to any further ratings action that Moody's 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, 2014.

#### *Capitalization of AGM*

At December 31, 2014, AGM's policyholders' surplus and contingency reserve were approximately \$3,763 million and its net unearned premium reserve was approximately \$1,769 million. Such amounts represent the combined surplus, contingency reserve and net unearned premium reserve of AGM, AGM's wholly owned subsidiary Assured Guaranty (Europe) Ltd. and 60.7% of AGM's indirect subsidiary Municipal Assurance Corp.; each amount of surplus, contingency reserve and net unearned premium reserve for each company was determined in accordance with statutory accounting principles.

#### *Incorporation of Certain Documents by Reference*

Portions of the following document 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: the Annual Report on Form 10-K for the fiscal year ended December 31, 2014 (filed by AGL with the SEC on February 26, 2015).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 31 West 52nd Street, 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 under “– Assured Guaranty Municipal Corp.” of this caption 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 or one of its affiliates may purchase a portion of each of the Series 2015 Bonds and such purchase(s) may constitute a significant proportion of the bonds offered. AGM or such affiliate may hold such Series 2015 Bonds for investment or may sell or otherwise dispose of such Series 2015 Bonds at any time or from time to time.

AGM makes no representation regarding the Series 2015 Bonds or the advisability of investing in the Series 2015 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 “– Bond Insurance” of this caption.

#### **Bond Insurance Risk Factors**

In the event of default of the payment of principal or interest on the Series 2015 Bonds when all or some becomes due, or in the event any such payment is recovered from the owners of the Series 2015 Bonds as a voidable preference under applicable bankruptcy law, the Trustee on behalf of the owners of the Series 2015 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 (other than mandatory sinking fund redemption, if any), 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 the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Series 2015 Bonds are payable solely from the moneys available under the applicable Series Resolution. In the event the Insurer becomes obligated to make payments with respect to the Series 2015 Bonds, no assurance is given that such event will not adversely affect the market price of the Series 2015 Bonds or the marketability of the Series 2015 Bonds.

The long-term ratings on the Series 2015 Bonds are dependent in part on the financial strength of the Insurer and its claims paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Insurer and the ratings of the Series 2015 Bonds will not be subject to downgrade and such event could adversely affect the market price or marketability of the Series 2015 Bonds. See “– Bond Insurance – *Current Financial Strength Ratings*” and “PART 17 – RATINGS” herein.

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

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

## PART 3 – THE SERIES 2015 BONDS

### Description of the Series 2015 Bonds

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

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

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

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

### Redemption Provisions

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

#### *Optional Redemption*

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

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

#### *Mandatory Redemption*

The Series 2015B Bonds maturing on October 1, 2026, October 1, 2027, October 1, 2028, October 1, 2029, October 1, 2030, October 1, 2031, October 1, 2032, October 1, 2033, October 1, 2034, October 1, 2035 and April 1, 2039 are subject to mandatory sinking fund redemption, in part, on each of the dates and in the respective principal amounts set forth below, at a Redemption Price of 100% of the principal amount thereof, plus accrued interest to the



date of redemption, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem the principal amounts of Series 2015B Bonds specified for each of the dates shown below:

**Series 2015B Term Bonds**  
**Maturing October 1, 2026**

<u>Date Due</u>	<u>Sinking Fund Installment</u>
Apr. 1, 2026	\$1,785,000
Oct. 1, 2026*	110,000

**Series 2015B Term Bonds**  
**Maturing October 1, 2027**

<u>Date Due</u>	<u>Sinking Fund Installment</u>
Apr. 1, 2027	\$1,885,000
Oct. 1, 2027*	125,000

**Series 2015B Term Bonds**  
**Maturing October 1, 2028**

<u>Date Due</u>	<u>Sinking Fund Installment</u>
Apr. 1, 2028	\$1,980,000
Oct. 1, 2028*	125,000

**Series 2015B Term Bonds**  
**Maturing October 1, 2029**

<u>Date Due</u>	<u>Sinking Fund Installment</u>
Apr. 1, 2029	\$1,330,000
Oct. 1, 2029*	140,000

**Series 2015B Term Bonds**  
**Maturing October 1, 2030**

<u>Date Due</u>	<u>Sinking Fund Installment</u>
Apr. 1, 2030	\$780,000
Oct. 1, 2030*	135,000

**Series 2015B Term Bonds**  
**Maturing October 1, 2031**

<u>Date Due</u>	<u>Sinking Fund Installment</u>
Apr. 1, 2031	\$815,000
Oct. 1, 2031*	145,000

**Series 2015B Term Bonds**  
**Maturing October 1, 2032**

<u>Date Due</u>	<u>Sinking Fund Installment</u>
Apr. 1, 2032	\$830,000
Oct. 1, 2032*	140,000

**Series 2015B Term Bonds**  
**Maturing October 1, 2033**

<u>Date Due</u>	<u>Sinking Fund Installment</u>
Apr. 1, 2033	\$860,000
Oct. 1, 2033*	150,000

**Series 2015B Term Bonds**  
**Maturing October 1, 2034**

<u>Date Due</u>	<u>Sinking Fund Installment</u>
Apr. 1, 2034	\$910,000
Oct. 1, 2034*	160,000

**Series 2015B Term Bonds**  
**Maturing October 1, 2035**

<u>Date Due</u>	<u>Sinking Fund Installment</u>
Apr. 1, 2035	\$960,000
Oct. 1, 2035*	170,000

**Series 2015B Term Bonds**  
**Maturing April 1, 2039**

<u>Date Due</u>	<u>Sinking Fund Installment</u>
Apr. 1, 2036	\$550,000
Oct. 1, 2036	100,000
Apr. 1, 2037	585,000
Oct. 1, 2037	100,000
Apr. 1, 2038	610,000
Oct. 1, 2038	110,000
Apr. 1, 2039*	230,000

\* Stated Maturity.

*Notice of Redemption*

Whenever the Series 2015 Bonds are to be redeemed, the Trustee will give notice of the redemption of the Series 2015 Bonds in the name of DASNY. Such notice will be given by mailing a copy of such notice not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. Such notice will be sent by first class mail, postage prepaid, to the registered owners of the Series 2015 Bonds which are to be redeemed, at their last

known addresses, if any, appearing on the registration books not more than ten (10) Business Days prior to the date such notice is given. Upon giving such notice, the Trustee will promptly certify to DASNY that it has mailed or caused to be mailed such notice to the registered owners of the Series 2015 Bonds to be redeemed in the manner provided in the Master Resolution. Such certificate will be conclusive evidence that such notice was given in the manner required by the Master Resolution. The failure of any Holder of a Series 2015 Bond to be redeemed to receive such notice will not affect the validity of the proceedings for the redemption of the Series 2015 Bonds.

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

### **Book-Entry Only System**

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2015 Bonds. The Series 2015 Bonds will be issued as fully-registered securities in the name of Cede & Co. (DTC’s partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2015 Bond certificate will be issued for each maturity of each Series of the Series 2015 Bonds, each in the aggregate principal amount of such maturity of such Series, and will be deposited with DTC.

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

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

To facilitate subsequent transfers, all Series 2015 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2015 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2015 Bonds; DTC’s records reflect only the identity of the Direct

Participants to whose accounts such Series 2015 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

Principal, redemption premium, if any, and interest payments on the Series 2015 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from DASNY or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or DASNY, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of DASNY or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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

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

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

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

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

NONE OF DASNY, THE INSURER, THE TRUSTEE OR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO: (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2015 BONDS UNDER THE RESOLUTIONS; (III) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2015 BONDS; (IV) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE SERIES 2015 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2015 BONDS; OR (VI) ANY OTHER MATTER.

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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 2015A Bonds during each twelve-month period ending October 1 of the years shown.

<b>12-Month Period Ending October 1,</b>	<b>Principal of the Series 2015A Bonds</b>	<b>Interest on the Series 2015A Bonds</b>	<b>Total Debt Service on the Series 2015A Bonds</b>
2015	\$ 90,000	\$ 821,623	\$ 911,623
2016	75,000	1,942,350	2,017,350
2017	1,295,000	1,940,175	3,235,175
2018	1,350,000	1,888,925	3,238,925
2019	3,845,000	1,826,900	5,671,900
2020	3,555,000	1,639,050	5,194,050
2021	3,730,000	1,465,750	5,195,750
2022	3,910,000	1,283,900	5,193,900
2023	4,095,000	1,093,250	5,188,250
2024	4,295,000	893,550	5,188,550
2025	1,195,000	695,750	1,890,750
2026	1,260,000	636,000	1,896,000
2027	1,325,000	573,000	1,898,000
2028	1,390,000	506,750	1,896,750
2029	1,465,000	437,250	1,902,250
2030	1,535,000	364,000	1,899,000
2031	1,615,000	287,250	1,902,250
2032	1,700,000	206,500	1,906,500
2033	1,770,000	121,500	1,891,500
2034	1,830,000	61,763	1,891,763

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

<b>12-Month Period Ending October 1,</b>	<b>Principal of the Series 2015B Bonds</b>	<b>Interest on the Series 2015B Bonds</b>	<b>Total Debt Service on the Series 2015B Bonds</b>
2015	\$ 60,000	\$1,161,586	\$1,221,586
2016	260,000	2,745,725	3,005,725
2017	185,000	2,738,325	2,923,325
2018	4,295,000	2,726,925	7,021,925
2019	6,945,000	2,530,700	9,475,700
2020	7,295,000	2,181,950	9,476,950
2021	7,645,000	1,815,700	9,460,700
2022	5,510,000	1,431,700	6,941,700
2023	3,520,000	1,154,075	4,674,075
2024	3,690,000	976,450	4,666,450
2025	1,815,000	789,450	2,604,450
2026	1,895,000	697,800	2,592,800
2027	2,010,000	600,550	2,610,550
2028	2,105,000	497,675	2,602,675
2029	1,470,000	408,675	1,878,675
2030	915,000	355,750	1,270,750
2031	960,000	325,444	1,285,444
2032	970,000	293,481	1,263,481
2033	1,010,000	253,250	1,263,250
2034	1,070,000	201,500	1,271,500
2035	1,130,000	146,750	1,276,750
2036	650,000	100,500	750,500
2037	685,000	67,125	752,125
2038	720,000	32,250	752,250
2039	230,000	5,750	235,750

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

<b>12-Month Period</b>	<b>Principal of the</b>	<b>Interest on the</b>	<b>Total Debt Service on the</b>
<b>Ending</b>	<b>Series 2015C Bonds</b>	<b>Series 2015C Bonds</b>	<b>Series 2015C Bonds</b>
<b><u>October 1,</u></b>			
2015	\$ 95,000	\$ 67,856	\$ 162,856
2016	150,000	157,863	307,863
2017	155,000	153,363	308,363
2018	160,000	148,713	308,713
2019	905,000	143,913	1,048,913
2020	940,000	107,713	1,047,713
2021	970,000	70,113	1,040,113
2022	990,000	50,713	1,040,713
2023	1,000,000	30,913	1,030,913
2024	485,000	10,913	495,913

#### **PART 4 – THE SCHOOL DISTRICTS**

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

#### **Summaries of Constitutional and Statutory Debt Provisions**

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

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

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

Each of the School Districts, except for the Chenango Forks Central School District (“Chenango School District”), has complied with the foregoing estoppel procedure with respect to the School District Bonds (the “Estoppel Procedure”). It is anticipated that the Estoppel Procedure with respect to the Chenango School District will be complied with prior to the delivery of the Series 2015 Bonds. In the event the Estoppel Procedure is not complied with respect to the Chenango School District or in the event an action contesting the validity of the School District Bonds of Chenango School District is commenced within the time period described above, the Series 2015C Bonds will not be issued or delivered to the Underwriters.

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

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

Section 90.10 of the Local Finance Law also authorizes school district to issues bonds for the purposes of refunding outstanding general obligations of school districts subject to the approval of the New York State Comptroller. Each of the School District Bonds will be issued in compliance with Section 90.10 of the Local Finance Law and it is anticipated that the New York State Comptroller will approve the issuance of each of the respective School District Bonds prior to the issuance of the Series 2015 Bonds.

### **Special Provisions Affecting Remedies on Default**

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

The Act also authorizes an intercept mechanism under which the State Comptroller shall pay the State aid assigned by the School Districts to DASNY directly to DASNY for payments of amounts due under the respective Agreement then in default. Pursuant to this intercept mechanism, DASNY is required to certify annually to the Commissioner of Education a statement of all amounts due from each School District to DASNY under an applicable Agreement. The Commissioner of Education, in turn, is required to include in the certificate filed with

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

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

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

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

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

## **Financial Factors**

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



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

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

In addition, the Tax Levy Limitation Law:

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

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

*Real Property Tax Rebate.* Chapter 59 of the Laws of 2014 (“Chapter 59”) includes provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts are eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are

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

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

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

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

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

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

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

The amount of State aid to school districts is dependent in part upon the financial condition of the State. The recent economic downturn and global financial crisis have had and may continue to have an adverse impact on the State's financial condition and may adversely affect the amount and payment of State aid to school districts. During the 2011 to 2014 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 fiscal year, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. The State's 2013-2014 Enacted Budget provided for school aid of approximately \$21.1 billion, which represented an increase of approximately \$936.6 million, or 4.4% in total school aid spending from the 2012-13 school year. The State's 2014-2015 Enacted Budget provides for school aid of approximately \$22.2 billion, an increase of \$1.1 billion in school aid spending from the 2013-2014 school year. The majority of the increase is targeted to high need school districts. The Governor's proposed budget recommends an increase in school aid of

\$1.1 billion for the 2015-2016 school year and is tied to education reforms, but such recommendation is subject to change as part of the State's finally enacted Budget for the State's 2015-2016 fiscal year. See Appendix C for information relating to State aid payments for each of the School Districts.

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

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

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

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

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

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

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

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

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

## **Fiscal Stress Monitoring**

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

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

The most current applicable report of the State Comptroller classified all of the School Districts as "no designation," except for the City School District of the City of Peekskill, which received a designation of "significant fiscal stress."

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

## **Litigation**

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

## **PART 5 – THE REFUNDING PLAN**

The Series 2015 Bonds are being issued to refund the Refunded Bonds. The Refunded Bonds are listed on Appendix G hereto.

A portion of the proceeds of the Series 2015 Bonds, together with other funds available to DASNY, will be deposited into five separate funds held by the respective bond trustees for the Series 2006A Bonds, the Series 2007A Bonds, the Series 2007B Bonds, the Series 2008C Bonds and the Series 2008D Bonds. Amounts in each such fund will be invested in United States Treasury obligations the principal of and interest on which, when due, together with any uninvested proceeds are calculated to provide amounts sufficient to pay the principal of and interest on the Series 2006A Bonds to their redemption date on October 1, 2016, the Series 2007A Bonds to their redemption date on October 1, 2017, the Series 2007B Bonds to their redemption date on October 1, 2017, the Series 2008C Bonds to their redemption date on October 1, 2018 and the Series 2008D Bonds to their redemption date on October 1, 2018.

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

**PART 6 – ESTIMATED SOURCES AND USES OF FUNDS**

Estimated sources and uses of funds are as follows:

<b>Estimated Sources of Funds</b>	<b>Series 2015A</b> <b><u>Bonds</u></b>	<b>Series 2015B</b> <b><u>Bonds</u></b>	<b>Series 2015C</b> <b><u>Bonds</u></b>
Principal Amount .....	\$41,325,000	\$57,040,000	\$5,850,000
Net Original Issue Premium .....	<u>6,733,228</u>	<u>9,365,221</u>	<u>227,684</u>
Total Estimated Sources .....	\$48,058,228	\$66,405,221	\$6,077,684
<b>Estimated Uses of Funds</b>			
Deposit to Escrow Funds .....	\$47,365,323	\$65,415,145	\$5,938,656
Costs of Issuance** .....	369,985	549,214	93,815
Underwriter's Discount .....	<u>322,920</u>	<u>440,862</u>	<u>45,213</u>
Total Estimated Uses .....	\$48,058,228	\$66,405,221	\$6,077,684

\* Includes other costs.

† Includes bond insurance premium.

**PART 7 – DASNY**

**Background, Purposes and Powers**

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

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

To carry out its programs, DASNY is authorized to issue and sell negotiable bonds and notes to finance the construction of facilities for such institutions, to issue bonds or notes to refund outstanding bonds or notes and to lend funds to such institutions. At December 31, 2014, DASNY had approximately \$46.5 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 520 employees located in three main offices (Albany, New York City and Buffalo) and at approximately 55 field sites across the State.

## **Governance**

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

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

The current members of DASNY are as follows:

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

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

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

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

SANDRA M. SHAPARD, *Secretary*, Delmar.

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

JONATHAN H. GARDNER, Esq., Buffalo.

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

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

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

GERARD ROMSKI, Esq., Mount Kisco.

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

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

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

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

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

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

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

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

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

The principal staff of DASNY is as follows:

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

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

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

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



Director, Financial Management in the Office of Finance. She holds a Bachelor of Business Administration degree in Accounting from Siena College.

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

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

### **Claims and Litigation**

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

### **Other Matters**

#### *New York State Public Authorities Control Board*

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

#### *Legislation*

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

#### *Environmental Quality Review*

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

#### *Independent Auditors*

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

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

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

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

## **PART 9 – NEGOTIABLE INSTRUMENTS**

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

## **PART 10 – TAX MATTERS**

In the opinion of each of Squire Patton Boggs (US) LLP and D. Seaton and Associates, Co-Bond Counsel, under existing law: (i) interest on the Series 2015 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; and (ii) interest on the Series 2015 Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. Co-Bond Counsel expresses no opinion as to any other tax consequences regarding the Series 2015 Bonds.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of DASNY and the School Districts contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2015 Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Co-Bond Counsel will not independently verify the accuracy of DASNY’s and the School Districts’ certifications and representations or the continuing compliance with DASNY’s and the School Districts’ covenants.

The opinion of Co-Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Co-Bond Counsel’s legal judgment as to exclusion of interest on the Series 2015 Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (“IRS”) or any court. Co-Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by DASNY or the School Districts may cause loss of such status and result in the interest on the Series 2015 Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2015 Bonds. The School Districts and, subject to certain limitations, DASNY have each covenanted to take the actions required of it for the interest on the Series 2015 Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Series 2015 Bonds, Co-Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Co-Bond Counsel’s attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2015 Bonds or the market value of the Series 2015 Bonds.

A portion of the interest on the Series 2015 Bonds earned by certain corporations may be subject to a federal corporate alternative minimum tax. In addition, interest on the Series 2015 Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax

imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2015 Bonds. Co-Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Series 2015 Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Co-Bond Counsel's engagement with respect to the Series 2015 Bonds ends with the issuance of the Series 2015 Bonds, and, unless separately engaged, Co-Bond Counsel is not obligated to defend DASNY, the School Districts or the owners of the Series 2015 Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2015 Bonds, under current IRS procedures, the IRS will treat DASNY as the taxpayer and the beneficial owners of the Series 2015 Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Series 2015 Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Series 2015 Bonds.

Prospective purchasers of the Series 2015 Bonds upon their original issuance at prices other than the respective prices indicated on the inside cover of this Official Statement, and prospective purchasers of the Series 2015 Bonds at other than their original issuance, should consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Co-Bond Counsel expresses no opinion.

### **Risk of Future Legislative Changes and/or Court Decisions**

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Series 2015 Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2015 Bonds will not have an adverse effect on the tax status of interest on the Series 2015 Bonds or the market value or marketability of the Series 2015 Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Series 2015 Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, recent presidential and legislative proposals would eliminate, reduce or otherwise alter the tax benefits currently provided to certain owners of state and local government bonds, including proposals that would result in additional federal income tax on taxpayers that own tax-exempt obligations if their incomes exceed certain thresholds. Investors in the Series 2015 Bonds should be aware that any such future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Series 2015 Bonds for federal income tax purposes for all or certain taxpayers. In such event, the market value of the Series 2015 Bonds may be adversely affected and the ability of holders to sell their Series 2015 Bonds in the secondary market may be reduced. The Series 2015 Bonds are not subject to special mandatory redemption, and the interest rates on the Series 2015 Bonds are not subject to adjustment in the event of any such change.

Investors should consult their own financial and tax advisers to analyze the importance of these risks.

## **Original Issue Discount and Original Issue Premium**

Certain of the Series 2015 Bonds (“Discount Bonds”) as indicated on the cover of this Official Statement were offered and sold to the public at an original issue discount (“OID”). OID is the excess of the stated redemption price at maturity (the principal amount) over the “issue price” of a Discount Bond. The issue price of a Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excluded from the owner’s gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2015 Bonds, and (ii) is added to the owner’s tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond. The amount of OID that accrues each year to a corporate owner of a Discount Bond is taken into account in computing the corporation’s liability for federal alternative minimum tax. A purchaser of a Discount Bond in the initial public offering at the price for that Discount Bond stated on the cover of this Official Statement who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond.

Certain of the Series 2015 Bonds (“Premium Bonds”) as indicated on the cover of this Official Statement were offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner’s gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner’s tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond stated on the cover of this Official Statement who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

***Owners of Discount and Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount or Premium Bonds and as to other federal tax consequences and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.***

## **PART 11 – STATE NOT LIABLE ON THE SERIES 2015 BONDS**

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

## **PART 12 – COVENANT BY THE STATE**

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

serve an important public purpose, could have the effect of impairing these pledges and agreements with DASNY and with the holders of DASNY's notes or bonds.

### **PART 13 – LEGAL MATTERS**

Certain legal matters incidental to the authorization and issuance of the Series 2015 Bonds by DASNY are subject to the approval of Squire Patton Boggs (US) LLP, New York, New York, and D. Seaton and Associates, New York, New York, Co-Bond Counsel to DASNY, whose approving opinion will be delivered with the Series 2015 Bonds. The proposed form of Co-Bond Counsel's approving opinions is set forth in Appendix F.

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

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

### **PART 14 – UNDERWRITING**

The Underwriters have agreed, subject to certain conditions, to purchase the Series 2015A Bonds from DASNY at an aggregate purchase price of \$47,735,307.79 (which represents the par amount of the Series 2015A Bonds, less the Underwriters' discount of \$322,920.06, plus aggregate premium of \$6,733,227.85) and to make a public offering of the Series 2015A Bonds at prices that are not in excess of the public offering prices stated on the inside cover page of this Official Statement.

The Underwriters have agreed, subject to certain conditions, to purchase the Series 2015B Bonds from DASNY at an aggregate purchase price of \$65,964,358.40 (which represents the par amount of the Series 2015B Bonds, less the Underwriters' discount of \$440,862.30, plus aggregate premium of \$9,365,220.70) and to make a public offering of the Series 2015B Bonds at prices that are not in excess of the public offering prices stated on the inside cover page of this Official Statement.

The Underwriters have agreed, subject to certain conditions, to purchase the Series 2015C Bonds from DASNY at an aggregate purchase price of \$6,032,471.15 (which represents the par amount of the Series 2015C Bonds, less the Underwriters' discount of \$45,213.10, plus aggregate premium of \$227,684.25) and to make a public offering of the Series 2015C Bonds at prices that are not in excess of the public offering prices stated on the inside cover page of this Official Statement.

The obligation of the Underwriters to purchase any Series of the Series 2015 Bonds is not contingent upon the sale and delivery of any other Series of the Series 2015 Bonds. It is anticipated that the Estoppel Procedure with respect to the Chenango School District will be complied with prior to the delivery of the Series 2015 Bonds; however, in the event the Estoppel Procedure is not complied with respect to the Chenango School District or in the event an action contesting the validity of the School District Bonds of Chenango School District is commenced within the time period described above, the Series 2015C Bonds will not be issued or delivered to the Underwriters. See "PART 4 – THE SCHOOL DISTRICTS – Summaries of Constitutional and Statutory Debt Provisions."

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

### **PART 15 – CONTINUING DISCLOSURE**

In order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission ("Rule 15c2-12"), each School District has undertaken in a written agreement (a "Continuing Disclosure Agreement") for the benefit of the Bondholders of the applicable Series of the Series 2015 Bonds to

provide on an annual basis to the MSRB through its EMMA system, on or before 180 days after the end of each fiscal year of such School District, commencing with the fiscal year ending June 30, 2015, operating data and financial information of the type hereinafter described which is included in Appendix C to this Official Statement (the “Annual Information”), together with such School District’s annual financial statements prepared in accordance with generally accepted accounting principles and audited by an independent firm of certified public accountants in accordance with generally accepted accounting standards.

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

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

The Notices include notice of any of the following events with respect to the Series 2015 Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2015 Bonds, or other material events affecting the tax status of the Series 2015 Bonds; (7) modifications to the rights of holders of the Series 2015 Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Series 2015 Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of a School District; (13) consummation of a merger, consolidation or acquisition involving a School District or the sale of all or substantially all of the assets of a School District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee, or the change in name of a trustee, if material. Each School District has undertaken to provide to DASNY, in a timely manner, notices similar to the ones described above with respect to its School District Bonds.

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

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

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

Each of the School Districts, other than the City School District of the City of Peekskill (the “Peekskill School District”), has certified to DASNY that it has in the previous five years complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12. Although the Enlarged City School District of the City of Gloversville and the Cobleskill-Richmondville Central School District each made annual filings with the MSRB as required by Rule 15c2-12 in connection with DASNY’s School Districts Revenue Bond Financing Program Revenue Bonds, Series 2012F (the “Series 2012 Bonds”), each such School District made such filings under its respective CUSIP numbers and, at the time of filing, did not link such filings to the DASNY CUSIP numbers for the Series 2012 Bonds. To correct this CUSIP linkage oversight, a notice linked to the DASNY CUSIP numbers for the Series 2012 Bonds was filed with the MSRB on April 2, 2015 explaining that each of such School District’s annual filings are available under the respective School District’s CUSIP numbers as described in the notice and may be filed in the future under such CUSIP numbers.

In connection with a prior Series of Bonds issued by DASNY to finance Loans to the Peekskill School District, the Peekskill School District agreed to make certain periodic filings of financial information on EMMA on or prior to the 180th day after June 30 of each year. Financial information required to be filed by the Peekskill School District on or before December 26, 2010 was not filed by the Peekskill School District with the MSRB until May 24, 2011. In addition, although the Peekskill School District made annual filings with the MSRB as required by Rule 15c2-12 in connection with DASNY’s School Districts Revenue Bond Financing Program Revenue Bonds, Series 2014F (the “Series 2014 Bonds”), the Peekskill School District made such filings under its CUSIP numbers and at the time of filing did not link such filings to the DASNY CUSIP numbers for the Series 2014 Bonds. To correct this CUSIP linkage oversight, a notice linked to the DASNY CUSIP numbers for the Series 2014 Bonds was filed with the MSRB on April 2, 2015 explaining that the Peekskill School District’s annual filings are available under the Peekskill School District’s CUSIP numbers as described in the notice and may be filed in the future under such CUSIP numbers.

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

#### **PART 16 – VERIFICATION OF MATHEMATICAL COMPUTATIONS**

The accuracy of (i) the mathematical computations of the adequacy of the cash and the maturing principal of and interest earned on the government obligations to be held in escrow to pay maturing principal or redemption price of, and interest on, the Refunded Bonds and (ii) certain mathematical computations supporting the conclusion that the Series 2015 Bonds are not “arbitrage bonds” under the Code, will be verified by Causey Demgen & Moore, P.C., Certified Public Accountants. See “PART 5 – THE REFUNDING PLAN.”

#### **PART 17 – RATINGS**

S&P is expected to assign a rating of “AA” to each Series of the Series 2015 Bonds based on the understanding that the Policy insuring the scheduled payment of principal of and interest due with respect to each Series of the Series 2015 Bonds will be issued by AGM upon the issuance of the Series 2015 Bonds. S&P has also assigned an underlying rating of “A+” to the Series 2015B Bonds.

Moody’s has assigned a rating of “Aa3” to the Series 2015A Bonds and the Series 2015C Bonds. The Moody’s rating is the highest of (i) the published enhanced rating of “Aa3” which is based on the underlying credit quality of the School Districts in these Series as strengthened by the DASNY intercept program and the New York State 99-b post default enhancement program, (ii) the published underlying rating on the Series 2015A Bonds of

“A1” and the Series 2015C Bonds of “A2” and (iii) the financial strength rating of AGM of “A2” as Insurer of the Series 2015A Bonds and the Series 2015C Bonds.

Fitch Ratings (“Fitch”), has assigned an underlying rating of “AA-“ to each Series of the Series 2015 Bonds.

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

## **PART 18 – 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 2015 Bonds, as to the accuracy of such information provided or authorized by it.

*School Districts.* The information in “PART 4 – THE SCHOOL DISTRICTS,” “PART 5 – THE REFUNDING PLAN,” “PART 15 – CONTINUING DISCLOSURE” and “Appendix C – Certain Financial and Economic Information Relating to the School Districts” was supplied by each of the School Districts. DASNY believes that this information is reliable, but DASNY makes no representations or warranties whatsoever to the accuracy or completeness of this information.

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

*Co-Bond Counsel.* “Appendix A – Definitions,” “Appendix D – Summary of Certain Provisions of the Financing Agreements,” “Appendix E – Summary of Certain Provisions of the Master Resolution” and “Appendix F – Form of Approving Opinions of Co-Bond Counsel” have been prepared by Squire Patton Boggs (US) LLP, New York, New York, and D. Seaton and Associates, New York, New York, Co-Bond Counsel.

*Insurer and the Policy.* The information in “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2015 BONDS – Bond Insurance” and “Appendix H – Specimen Municipal Bond Insurance Policy” was supplied by the Insurer. DASNY believes that this information is reliable, but DASNY makes no representations or warranties to the accuracy or completeness of this information.

The references herein to the Act, other laws of the State, the Master Resolution, the Agreements and the School District Bonds are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and reference should be made to each for a full and complete statement of its provisions. The agreements of DASNY with the registered owners of the Series 2015 Bonds are fully set forth in the Master Resolution (including any Supplemental and Series Resolutions thereto), and neither any advertisement of the Series 2015 Bonds nor this Official Statement is to be construed as a contract with the purchasers of the Series 2015 Bonds. So far as any statements are made in this Official Statement involving matters of opinion or an estimate, whether or not expressly so stated, they are intended merely as such and not as representations of fact. Copies of the documents mentioned in this paragraph are on file at the offices of DASNY and the Trustee.



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

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

By:       /s/ Paul T. Williams, Jr.        
Authorized Officer

**DEFINITIONS**

*Appendix A*

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## DEFINITIONS

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

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

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

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

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

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

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

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

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

## *Appendix A*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## *Appendix A*

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

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

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

*Escrow Agreement* means the Escrow Agreement, dated as of the date of issuance of the DASNY Bonds, by and among DASNY, the applicable School District and the Escrow Holder thereunder, in the form attached to the Financing Agreement, as such agreement may be amended from time to time in accordance with its terms.

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

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

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

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

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

the foregoing and (iv) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations.

*Financing Agreement or Agreement* means the Financing Agreement relating to the Bonds, dated as of March 1, 2015, by and between DASNY and the Applicable School District.

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

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

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

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

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

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

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

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

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

*Notice of Terms* means a notice setting forth and confirming the definitive principal amounts, maturity dates and interest rates of the School District Bonds and certain other terms of the Loans which, to the extent such terms are inconsistent with the parameters set forth in the Applicable Financing Agreement, will be subject to the approval of the Applicable School District.



## *Appendix A*

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

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

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

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

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

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

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

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

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

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

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

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

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

*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.

## *Appendix A*

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

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

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

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

*Series Resolution* means a resolution of DASNY, including the Series 2015A Resolution, the Series 2015B Resolution and the Series 2015C Resolution, authorizing the issuance of a Series of Bonds adopted by DASNY pursuant to the Master Resolution.

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

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

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

*Series 2015A Resolution* means the Series Resolution of DASNY authorizing the issuance of the Series 2015A Bonds adopted by DASNY on April 9, 2014.

*Series 2015B Resolution* means the Series Resolution of DASNY authorizing the issuance of the Series 2015B Bonds adopted by DASNY on April 9, 2014.

*Series 2015C Resolution* means the Series Resolution of DASNY authorizing the issuance of the Series 2015C Bonds adopted by DASNY on April 9, 2014.

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

*State* means the State of New York.

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

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

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

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

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

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

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

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

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

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

*Appendix B*

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

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

<u>School District</u>	<u>Financial Advisor</u>	<u>Bond Counsel</u>	<u>Principal Amount of Series 2015A Loan</u>	<u>Principal Amount of Series 2015B Loan</u>	<u>Principal Amount of Series 2015C Loan</u>
<b>Series 2015A:</b>					
Cobleskill-Richmondville Central School District	FA	Hodgson	\$3,265,000		
City School District of the City of Peekskill	BPD	Orrick	24,145,000		
South Seneca Central School District	BPD	McGill	13,915,000		
<b>Series 2015B:</b>					
Enlarged City School District of the City of Gloversville	FA	Hiscock		\$25,260,000	
Mount Markham Central School District	BPD	McGill		10,615,000	
Phoenix Central School District	FA	Trespasz		19,630,000	
Wyoming Central School District	FA	Harris		1,535,000	
<b>Series 2015C:</b>					
Chenango Forks Central School District	FA	Orrick			\$5,850,000

**Abbreviations for Financial Advisors and Bond Counsel**

BPD	Bernard P. Donegan, Inc.
FA	Fiscal Advisors & Marketing, Inc.
Harris	Harris Beach PLLC
Hiscock	Hiscock & Barclay, LLP
Hodgson	Hodgson Russ LLP
McGill	Law Offices of Timothy R. McGill, Esq.
Orrick	Orrick, Herrington & Sutcliffe LLP
Trespasz	Trespasz & Marquardt, LLP



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

*Appendix C*

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**APPENDIX C-1  
DESCRIPTION OF  
CHENANGO FORKS CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-1 a brief description of the Chenango Forks 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 is located approximately 10 miles north of Binghamton and is primarily a suburban community serving the “triple cities” of Endicott, Johnson City and Binghamton. Major highways serving the District include State Routes 12 and 79, with access to State Route 17, and Interstates 81 and 88. Major employers within the Counties’ metropolitan areas include Lockheed Martin, BAE Systems, IBM Corporation, United Health Services, State of New York, County of Broome, SUNY Binghamton, New York State Electric and Gas Corporation and Our Lady of Lourdes Hospital.

Electric utility and natural gas services to the District residents are provided by the New York State Electric and Gas Corporation and Direct Energy police services are provided by State and municipal law enforcement agencies. Fire protection is provided by volunteer forces.

Commercial banking services are provided by offices of: JPMorgan Chase Bank, N.A., Citizens Bank, M&T Bank, N.A., HSBC Bank, U.S.A. and NBT Bank.

**Population**

The current estimated population of the District is 9,629. (Source: 2013 U.S. Census Bureau estimate)

**Five Largest Employers**

<u>Name</u>	<u>Type</u>	<u>Employees</u>
United Health Services	Private Hospital	5,508
Binghamton University	Education	5,493
Lockheed Martin	Defense	2,700
Our Lady of Lourdes Hospital	Private Hospital	2,361
New York State	Government	2,034

**Five Largest Taxpayers**

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
New York State Electric and Gas Corporation	Utility	\$11,776,009
Forest Manor LLC	Trailer Park	1,599,700
William Maines	Residential	1,565,500
Citizens Communication	Commercial	1,413,892
Fifth Garden Park Limited	Mobile Home Park	1,372,816

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 4.6% of the tax base of the District.

*Appendix C*

**Unemployment Rate Statistics**

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available (which includes the District) are Broome and Chenango Counties (the “Counties”).

	<b>Year Average</b>				
	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
Broome County	9.0%	8.6%	8.7%	7.8%	N/A
Chenango County	9.1	8.4	8.3	7.1	N/A
New York State	8.6	8.3	8.5	7.7	6.5%

**Enrollment**

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

	<b><u>2010-11</u></b>	<b><u>2011-12</u></b>	<b><u>2012-13</u></b>	<b><u>2013-14</u></b>	<b><u>2014-15</u></b>	<b>Projected <u>2015-16</u></b>	<b>Projected <u>2016-17</u></b>
K-12	1,661	1,661	1,636	1,615	1,573	1,565	1,565

**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.

<b><u>Number of Employees</u></b>	<b><u>Bargaining Unit</u></b>	<b><u>Contract Expiration Date</u></b>
122	Chenango Forks Teachers’ Association	June 30, 2016
6	Chenango Forks Administrators’ Association	June 30, 2017
4	Chenango Forks Supervisors’ Association	June 30, 2016
58	Chenango Forks Support Staff Association	June 30, 2017
23	Chenango Forks Operations and Maintenance Association	June 30, 2016
12	Chenango Forks Secretarial / Clerical Association	June 30, 2016

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## DISTRICT INDEBTEDNESS

## Debt Limit

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

**Net Debt Contracting Margin  
As of March 24, 2015<sup>(1)</sup>**

Full Valuation of Taxable Real Property .....	\$484,237,369
Debt Limit (10% of Full Valuation) .....	48,423,737
Gross Indebtedness <sup>(2)</sup> .....	\$15,967,000
Less: Exclusions – Estimated Building Aid <sup>(3)</sup> .....	0
Total Net Indebtedness .....	\$15,967,000
Net Debt Contracting Margin .....	\$32,456,737
Percentage of Debt Contracting Power Exhausted .....	32.97%

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

<sup>(2)</sup> 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 \$5,850,000 School District Bonds to DASNY in connection with the refunding of \$4,890,000 of the District's outstanding serial bonds securing the Series 2008C Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

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

## Estimated Overlapping Indebtedness

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

<u>Unit</u>	<u>Outstanding Indebtedness<sup>(1)</sup></u>	<u>Exclusions<sup>(2)</sup></u>	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
<b>Counties of:</b>					
Broome	\$138,341,377	\$15,233,377	\$123,108,000	4.73%	\$5,823,008
Chenango	0	0	0	0.11	0
<b>Towns of:</b>					
Barker	0	0	0	39.95	0
Chenango	11,538,400	8,069,000	3,469,400	43.06	1,493,924
Fenton	495,200	331,950	163,250	36.80	60,076
Greene	0	0	0	2.46	0
Maine	4,415,490	0	4,415,490	1.62	71,531
Triangle	0	0	0	0.93	0
<b>Fire District of:</b>					
Brisben	0	0	0	100.00	0
				Total	\$7,448,539

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

<sup>(2)</sup> Sewer and water debt.

**Appendix C**

**Debt Ratios**

The table below sets forth certain ratios relating to the District’s indebtedness as of March 24, 2015.

**Debt Ratios  
As of March 24, 2015 <sup>(1)</sup>**

	<u>Amount</u>	<u>Per Capita<sup>(2)</sup></u>	<u>Percentage of Full Value<sup>(3)</sup></u>
Gross Indebtedness <sup>(4)</sup> .....	\$15,967,000	\$1,658.22	3.30%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	23,415,539	2,431.77	4.84

- (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 9,629.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2014-15 of \$484,217,369.
- (4) The District expects to deliver \$5,850,000 School District Bonds to DASNY in connection with the refunding of \$4,890,000 of the District’s outstanding serial bonds securing the Series 2008C Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

**Cash Flow Borrowing**

The District has not issued Tax 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**

The District had a successful vote on December 2, 2014 for an \$18,226,304 Academic and Safety Initiative Capital Project that will include improvements and upgrades to District buildings, at the estimated cost breakdown as shown below. The project is expected to be aided at 83.82% state building aid. A construction date of Summer 2016 is anticipated. The District anticipates borrowing \$2 million as bond anticipation notes in June 2015 to fund preliminary costs. The District will borrow approximately \$10-15 million in June 2016 for construction.

<u>Building</u>	<u>Cost/Budget</u>
Elementary School	\$ 51,520
Middle School	152,000
High School	13,920,864
Bus Garage	9,920
District Wide	4,092,000

There are presently no other capital projects authorized or 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.

Chenango Forks Central School District  
<http://emma.msrb.org/EA663565-EA511541-EA907713.pdf>  
Base CUSIP: 164087

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 during October. After November 15th, uncollected taxes are returned to the Counties for collection. The District receives these amounts 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.

<b>Valuations, Rates and Tax Levy</b>					
<b>Assessed Valuation</b>					
<b>Years Ending June 30,</b>					
	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
<b>Towns of:</b>					
Barker	\$33,669,255	\$33,800,936	\$56,930,169	\$57,074,043	\$57,208,558
Chenango	214,201,049	213,783,297	214,713,266	214,482,351	214,281,483
Fenton	73,820,443	74,013,886	74,518,593	74,843,739	74,742,522
Greene	6,897,170	6,940,445	7,140,756	7,048,820	7,133,120
Maine	2,668,829	2,686,951	2,667,252	2,685,520	2,681,867
Triangle	717,527	717,527	717,527	717,527	1,266,374
<b>Total Assessed Valuation</b>	<b><u>\$331,974,273</u></b>	<b><u>\$331,943,042</u></b>	<b><u>\$356,687,563</u></b>	<b><u>\$356,852,000</u></b>	<b><u>\$357,313,924</u></b>
<b>State Equalization Rates</b>					
<b>Years Ending June 30,</b>					
	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
<b>Towns of:</b>					
Barker	65.70%	64.27%	100.00%	100.00%	100.00%
Chenango	67.25	67.25	66.25	66.25	70.00
Fenton	66.00	68.00	67.50	67.50	69.00
Greene	100.00	100.00	94.00	95.00	100.00
Maine	65.59	66.13	70.00	66.22	64.00
Triangle	60.00	63.00	63.00	63.00	100.00
<b>Taxable Full Valuation</b>	<b>\$493,772,696</b>	<b>\$491,471,930</b>	<b>\$503,969,421</b>	<b>\$504,314,795</b>	<b>\$484,237,369</b>



**Appendix C**

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Tax Levy	\$5,755,393	\$10,086,343	\$10,288,181	\$10,697,553	\$11,308,948
% Uncollected When Due <sup>(1)</sup>	4.30%	4.19%	4.13%	4.55%	N/A

<sup>(1)</sup> 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 budgeted figures for the 2015-2016 fiscal year.

**State Aid and Revenues**

<u>Fiscal Year</u>	<u>Total State Aid<sup>(1)</sup></u>	<u>Total Revenues<sup>(1)</sup></u>	<u>Percentage of Total Revenues Consisting of State Aid<sup>(1)</sup></u>
2010-2011	\$15,802,345	\$27,570,466	57.32%
2011-2012	14,833,230	26,880,945	55.18
2012-2013	15,288,719	27,374,756	55.85
2013-2014	16,166,710	29,238,460	55.29
2014-2015 (Budgeted)	16,828,981	29,611,429	56.83
2015-2016 (Proposed)	N/A	N/A	N/A

<sup>(1)</sup> General Fund only.

**Pension Payments**

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

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2010-2011	\$306,399	\$665,874
2011-2012	298,595	774,626
2012-2013	392,143	877,517
2013-2014	412,414	1,367,977
2014-2015 (Budgeted)	428,087	1,419,489
2015-2016 (Proposed)	36,704	1,094,059

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

**GASB 45 and OPEB**

The District contracted with Questar III BOCES to calculate its “other post-employment benefits” (“OPEB”) plan (the “Plan”) in accordance with GASB 45. As of June 30, 2014, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees’ service rendered to the measurement date, is \$92,500,975. The actuarial value of the Plan’s

assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$92,500,975. For the fiscal year ending June 30, 2014, the District's beginning year Net OPEB obligation was \$18,768,748. The District's annual OPEB expense was \$7,763,831 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$2,893,303 to the Plan for the fiscal year ending June 30, 2014 to 416 employees, resulting in a net increase to its unfunded OPEB obligation of \$4,870,528, for a fiscal year ending June 30, 2014 total net unfunded OPEB obligation of \$23,639,276. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2014 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$1,059,408 in its General Fund for the fiscal year ended June 30, 2014, resulting in an unassigned General Fund balance of \$1,224,132 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*"

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*Appendix C*

**Principal and Interest Requirements**

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

**Schedule of Debt Service on Long-Term Bond Indebtedness**

<b><u>Fiscal Year</u></b>	<b><u>Existing Debt Service*</u></b>	<b><u>New Debt Service</u></b>	<b><u>Total Debt Service</u></b>
2014-2015	\$3,214,405	\$162,856	\$3,377,261
2015-2016	2,520,839	307,863	2,828,702
2016-2017	2,451,270	308,363	2,759,633
2017-2018	2,385,888	308,713	2,694,601
2018-2019	402,900	1,048,913	1,451,813
2019-2020	402,250	1,047,713	1,449,963
2020-2021	399,000	1,040,113	1,439,113
2021-2022	-	1,040,713	1,040,713
2022-2023	-	1,030,913	1,030,913
2023-2024	-	495,913	495,913

\* Excludes debt service on refunded bonds.

**APPENDIX C-2  
DESCRIPTION OF  
COBLESKILL-RICHMONDVILLE CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-2 a brief description of the Cobleskill-Richmondville 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**

Located in the north central part of scenic Schoharie County, with small portions of the District in Otsego and Montgomery Counties, the District has a land area of about 181 square miles. The District is 40 miles southwest of the City of Albany and 35 miles southwest of Schenectady. While in a rural setting, Highway I-88 places Cobleskill and Richmondville within easy reach of metropolitan centers.

The District centers around the incorporated Village of Cobleskill. The Village is the commercial hub of the surrounding agricultural areas and contains industrial manufacturers of textiles, plastics and other products. The State University of New York Agriculture and Technical College at Cobleskill has an enrollment of more than 2,500. It provides extensive two-year and four-year programs and cultural activities. Easy commuting distances allow residents access to the Capital District’s industries, fifteen colleges and universities, cultural resources and State government.

Recreational activities include an 18-hole public golf course, tennis courts, bowling alley, community playground and swimming pool and nearby summer and winter resorts. Many cultural offerings are shared with the community by SUNY Cobleskill.

The Community Library serves the residents of the District. The library contains 18,000 volumes, has borrowings privileges with public libraries in eight counties, and is a member of the Mohawk Valley Library System. It has an extensive local history collection, and offers free public access to the Internet for its patrons.

**Population**

The current estimated population of the District is 13,902. (Source: 2013 U.S. Census Bureau estimate)

**Five Largest Employers**

<u>Name</u>	<u>Type</u>	<u>Employees</u>
State University College at Cobleskill	Higher Education	555
Cobleskill-Richmondville Central School District	Public Education	395
Schoharie County	Municipality	380
Wal-Mart, Inc.	Retail	350
Schoharie Central School District	Public Education	200

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*Appendix C*

**Five Largest Taxpayers**

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
National Grid	Utility	\$13,571,994
Wal-Mart Inc.	Retail	7,325,000
Cobleskill Newark LLC	Commercial	5,500,000
Colonial Park Enterprises, LLC	Commercial	4,866,200
Superior Land Management LLC	Apartments	4,790,100

The total estimated assessed valuation of the top **ten (10)** taxpayers represents approximately 9.67% 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 Schoharie, Otsego and Montgomery Counties (collectively, the "Counties").

	<u>Year Average</u>				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Schoharie County	9.3%	9.5%	9.5%	8.3%	6.7%
Otsego County	7.6	7.7	7.8	7.0	5.7
Montgomery County	10.0	9.9	10.3	9.1	7.4
New York State	8.6	8.3	8.5	7.7	6.5

**Enrollment**

The table below presents the District's historic and projected enrollment (includes home-school enrollment).

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>Projected 2015-16</u>	<u>Projected 2016-17</u>
K-12	2,055	2,003	1,946	1,924	1,944	1,950	1,950

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**District Employees**

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

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
176	Cobleskill-Richmondville Teachers' Association	June 30, 2016
205	Cobleskill-Richmondville Educational Support Personnel Association	June 30, 2017
7	Cobleskill-Richmondville Administrators' Association	June 30, 2017
5	Management (confidential)	Contracted Annually
1	Superintendent	August 31, 2017
1	Business Manager	June 30, 2017

**DISTRICT INDEBTEDNESS**

**Debt Limit**

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

**Net Debt Contracting Margin  
As of March 24, 2015<sup>(1)</sup>**

Full Valuation of Taxable Real Property .....	\$773,185,308
Debt Limit (10% of Full Valuation) .....	77,318,531
Gross Indebtedness <sup>(2)</sup> .....	\$24,237,633
Less: Exclusions – Estimated Building Aid <sup>(3)</sup> .....	0
Total Net Indebtedness .....	\$24,237,633
Net Debt Contracting Margin .....	\$53,080,898
Percentage of Debt Contracting Power Exhausted .....	31.35%

- (1) The District has not incurred any indebtedness since the date of this table.
- (2) Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$3,265,000 School District Bonds to DASNY in connection with the refunding of \$2,945,000 of the District's outstanding serial bonds securing the Series 2008C Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- (3) Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. Since the Gross Indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate and therefore is not permitted to deduct Estimated Building Aid.

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*Appendix C*

**Estimated Overlapping Indebtedness**

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

<b>Unit</b>	<b>Outstanding Indebtedness<sup>(1)</sup></b>	<b>Exclusions<sup>(2)</sup></b>	<b>Net Indebtedness</b>	<b>% Within District</b>	<b>Applicable Net Indebtedness</b>
<b>Counties of:</b>					
Schoharie	\$25,651,729	\$151,729	\$25,500,000	35.01%	\$8,927,550
Otsego	16,672,060	267,060	16,405,000	0.22	36,091
Montgomery	27,597,000	0	27,597,000	0.01	2,760
<b>Towns of:</b>					
Blenheim	475,522	0	475,522	7.39	35,141
Carlisle	0	0	0	84.30	0
Cobleskill	2,999,584	0	2,999,584	99.94	2,997,784
Esperance	898,171	135,000	763,171	3.39	25,871
Fulton	0	0	0	11.66	0
Jefferson	273,798	72,015	201,783	2.17	4,379
Middleburgh	195,000	0	195,000	5.33	10,394
Richmondville	1,064,065	956,560	107,505	100.00	107,505
Schoharie	135,001	0	135,001	6.47	8,735
Seward	99,000	0	99,000	95.83	94,872
Summit	0	0	0	80.56	0
Decatur	0	0	0	2.72	0
Roseboom	0	0	0	2.71	0
Worcester	339,850	229,850	110,000	5.28	5,808
Root	0	0	0	0.12	0
<b>Village of:</b>					
Cobleskill	5,287,330	2,721,657	2,565,673	100.00	2,565,673
Total					<u>\$14,822,562</u>

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

(2) Sewer and water debt.

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## Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of March 24, 2015:

### Debt Ratios As of March 24, 2015<sup>(1)</sup>

	<u>Amount</u>	<u>Per Capita</u> <sup>(2)</sup>	<u>Percentage of Full Value</u> <sup>(3)</sup>
Gross Indebtedness <sup>(4)</sup> .....	\$24,237,633	\$1,743.46	3.13%
Gross Indebtedness Plus Net Overlapping Indebtedness .....	39,060,195	2,809.68	5.05

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

(2) Based on the District's current estimated population of 13,902.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2014-15 of \$773,185,308.

(4) The District expects to deliver \$3,265,000 School District Bonds to DASNY in connection with the refunding of \$2,945,000 of the District's outstanding serial bonds securing the Series 2008C Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

## Cash Flow Borrowing

The following is a history of Revenue Anticipation Note ("RAN") borrowings.

<u>Fiscal Year</u>	<u>Amount</u>	<u>Type</u>	<u>Issue Date</u>	<u>Due Date</u>
2010-11	\$990,000	RAN	June 24, 2010	June 24, 2011
2011-12	990,000	RAN	June 23, 2011	June 23, 2012

The District did not issue a revenue anticipation note for the 2012-13 or 2013-14 fiscal years and does not anticipate borrowing a revenue anticipation note for the 2014-15 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.

Cobleskill-Richmondville Central School District  
<http://emma.msrb.org/ER805405-ER626986-ER1028554.pdf>  
 Base CUSIP: 19104R

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.



*Appendix C*

**Real Estate Property Tax Collection Procedure**

Tax payments are due September 4th. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 3rd to November 4th. On or about November 15th, uncollected taxes are returnable to the Counties for collection. The District receives this amount of uncollected taxes from said Counties by April 1, thereby assuring 100% tax collection annually. Taxes unpaid after October 31 are re-levied with an additional 8% penalty (the District receives 3% and the respective County receives 5%) with the County taxes which are due on January 1 and, therefore, such taxes may not be paid between October 31 and January 1.

**Valuations, Rates and Tax Levy**

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

**Valuations, Rates and Tax Levy**

	<b>Assessed Valuation Years Ending June 30,</b>				
	<u><b>2011</b></u>	<u><b>2012</b></u>	<u><b>2013</b></u>	<u><b>2014</b></u>	<u><b>2015</b></u>
<b>Towns of:</b>					
Cobleskill	\$246,492,808	\$248,222,737	\$250,346,366	\$251,580,741	\$252,804,458
Carlisle	61,949,826	63,077,219	63,784,002	64,231,358	64,415,637
Seward	72,046,145	72,447,896	73,199,668	74,100,171	74,610,098
Richmondville	147,361,263	146,236,649	145,909,147	146,072,161	148,535,585
Summit	50,278,739	50,435,991	50,300,938	50,661,268	50,995,144
Schoharie	8,697,850	8,709,100	8,702,885	8,826,722	11,152,262 <sup>(1)</sup>
Fulton	8,523,163	8,488,868	8,527,902	8,547,740	8,519,260
Blenheim	2,545,245	2,545,245	2,518,125	2,515,125	2,549,425
Middleburgh	6,619,957	6,703,446	6,861,927	7,155,116	7,213,295
Worcester	4,575,327	4,552,225	4,568,937	4,557,386	4,604,310
Esperance	2,586,535	2,600,171	2,627,882	2,590,189	3,264,961 <sup>(1)</sup>
Jefferson	2,256,743	1,754,002	1,756,302	1,789,397	1,801,535
Decatur	511,167	539,595	506,368	483,364	483,364
Roseboom	825,486	818,542	817,381	820,566	820,384
Root	149,200	148,355	125,692	127,275	149,200
<b>Total Assessed Valuation</b>	<u>\$615,419,454</u>	<u>\$617,280,041</u>	<u>\$620,553,522</u>	<u>\$624,058,579</u>	<u>\$631,918,918</u>

<sup>(1)</sup> Significant change due to revaluation.

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Towns of:</b>					
Cobleskill	77.00%	78.80%	81.00%	83.00%	78.50%
Carlisle	74.00	77.00	81.00	81.00	81.50
Seward	74.00	77.00	81.00	81.00	81.50
Richmondville	100.00	100.00	103.00	101.50	100.00
Summit	56.00	59.60	62.50	62.50	64.50
Schoharie	74.00	76.00	79.00	79.36	100.00 <sup>(1)</sup>
Fulton	63.00	63.00	65.00	70.00	70.00
Blenheim	75.00	75.00	80.00	80.00	80.00
Middleburgh	66.00	66.00	68.00	70.00	70.00
Worcester	57.50	59.00	60.00	61.00	63.25
Esperance	74.00	76.00	79.00	79.36	100.00 <sup>(1)</sup>
Jefferson	54.50	56.00	60.00	60.00	60.00
Decatur	45.75	47.25	48.00	50.00	52.70
Roseboom	52.00	48.24	50.00	50.00	53.54
Root	92.01	100.00	100.00	100.00	100.00
<b>Taxable Full Valuation</b>	\$795,507,626	\$777,611,270	\$754,384,866	\$752,011,854	\$773,185,308

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Tax Levy	\$13,698,112	\$14,102,112	\$14,488,681	\$14,720,444	\$15,057,166
% Uncollected When Due <sup>(1)</sup>	13.82%	13.09%	13.84%	13.27%	12.79%

<sup>(1)</sup> 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 budgeted figures for the 2015-2016 fiscal year.

**State Aid and Revenues**

<u>Fiscal Year</u>	<u>Total State Aid<sup>(1)</sup></u>	<u>Total Revenues<sup>(1)</sup></u>	<u>Percentage of Total Revenues Consisting of State Aid<sup>(1)</sup></u>
2010-2011	\$18,243,303	\$34,593,197	52.74%
2011-2012	18,137,722	34,410,338	52.71
2012-2013	17,919,485	34,494,859	51.95
2013-2014	18,850,716	35,721,752	52.77
2014-2015 (Budgeted)	19,700,635	36,733,399	53.63
2015-2016 (Projected)	19,515,005	37,073,491	52.64

<sup>(1)</sup> General Fund only.

## Appendix C

### Pension Payments

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

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2010-2011	\$504,825	\$1,113,738
2011-2012	669,619	1,270,207
2012-2013	644,828	1,387,279
2013-2014	755,359	1,889,367
2014-2015 (Budgeted)	816,792	2,140,000
2015-2016 (Projected)	740,000	1,740,000

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

### GASB 45 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, 2013 the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$73,172,777. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$73,172,777. For the fiscal year ending June 30, 2014, the District's beginning year Net OPEB obligation was \$18,445,359. The District's annual OPEB expense was \$5,649,454 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$2,960,825 to the Plan for the fiscal year ending June 30, 2014 to its employees, resulting in a net increase to its unfunded OPEB obligation of \$2,688,629, for a fiscal year ending June 30, 2014 total net unfunded OPEB obligation of \$21,133,988. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2014 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$327,992 in its General Fund for the fiscal year ended June 30, 2014, resulting in an unassigned General Fund balance of \$1,642,356 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*"

### Historical Continuing Disclosure Compliance

The District has certified to DASNY that it has in the previous five years complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12. Although the District made annual filings with the MSRB as required by Rule 15c2-12 in connection with DASNY's School Districts Revenue Bond Financing Program Revenue Bonds, Series 2012F (the "Series 2012 Bonds"), the District made such filings under its CUSIP numbers and, at the time of filing, did not link such filings to the DASNY CUSIP numbers for the Series 2012 Bonds. To correct this CUSIP linkage oversight, a notice linked to the DASNY CUSIP numbers for the Series 2012 Bonds was filed with the MSRB on April 2, 2015 explaining that the District's annual filings are available under the District's CUSIP numbers as described in the notice and may be filed in the future under such CUSIP numbers.

**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**

<b><u>Fiscal Year</u></b>	<b><u>Existing Debt Service*</u></b>	<b><u>New Debt Service</u></b>	<b><u>Total Debt Service</u></b>
2014-2015	\$4,187,497	\$54,424	\$4,241,922
2015-2016	3,632,395	188,000	3,820,395
2016-2017	3,536,338	181,275	3,717,613
2017-2018	3,525,663	179,625	3,705,288
2018-2019	3,133,413	584,400	3,717,813
2019-2020	2,968,838	580,300	3,549,138
2020-2021	2,963,656	580,500	3,544,156
2021-2022	935,994	579,900	1,515,894
2022-2023	809,250	578,500	1,387,750
2023-2024	816,000	576,300	1,392,300
2024-2025	815,750	-	815,750
2025-2026	813,750	-	813,750

\* Excludes debt service on refunded bonds.

*Appendix C*

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**APPENDIX C-3  
DESCRIPTION OF  
ENLARGED CITY SCHOOL DISTRICT OF THE CITY OF GLOVERSVILLE**

There follows in this Appendix C-3 a brief description of the Enlarged City School District of the City of Gloversville (the “District”), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

**GENERAL INFORMATION**

**Description**

The District is situated in upstate New York in the south central portion of Fulton County, about 35 miles northwest of the City of Albany. It encompasses approximately 90 square miles, and is located primarily within the City of Gloversville (the “City”). Additionally, the District encompasses various portions of the Towns of Johnstown, Bleecker, Caroga and Mayfield (the “Towns”).

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

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

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

Electricity and natural gas are supplied throughout the District by National Grid. The City and Towns maintain water supply and distribution systems, entirely supported from user charges, and they provide sanitary sewage collection and treatment facilities. These services are supported from user charges and special benefit assessments.

Police protection is provided by the New York State Police, the Gloversville Police Department, the county Sheriff’s Office, and by police departments of the respective Towns; fire protection service is provided by the Gloversville Fire Department and by local volunteer units; ambulance service is provided by private companies.

**Population**

The current estimated population of the District is 18,919. (Source: 2013 U.S. Census Bureau estimate)

**Five Largest Employers**

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

## Appendix C

### Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid (formerly Niagara Mohawk Power Corporation)	Utility	\$24,682,381
State of New York	Government	14,046,650
Runnings	Retail	4,500,000
Gloversville Partners Alb.	Commercial	4,495,000
Clark Trading Corporation	Commercial	3,600,000

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 11.0% 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 Fulton County.

	<u>Year Average</u>				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Fulton County	10.2%	10.0%	10.5%	9.1%	7.6%
New York State	8.6	8.3	8.5	7.7	6.5

### Enrollment

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

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>Projected 2015-16</u>	<u>Projected 2016-17</u>
K-12	3,014	2,958	2,918	2,819	2,731	2,758	2,774

### District Employees

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

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
280	Gloversville Teachers' Association	June 30, 2015 <sup>(1)</sup>
64	Teachers' Aide Association	June 30, 2016
36	Buildings and Grounds Association	June 30, 2014 <sup>(1)</sup>
32	Cafeteria Employees Association	June 30, 2017
24	Office Personnel Association	June 30, 2017
17	Teaching Assistants	June 30, 2017
10	Gloversville Administrative Supervisory Staff Association	June 30, 2016
5	Gloversville Non-Instructional Support Staff Association	June 30, 2017
3	Gloversville Administrative Support Staff Association	June 30, 2015 <sup>(1)</sup>

<sup>(1)</sup> 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 March 24, 2015<sup>(1)</sup>**

	<b>Based on Conventional Equalization Rates</b>	<b>Based On Special Equalization Ratios</b>
Five Year Average Full Valuation of Taxable Real Property.....	\$643,163,615	\$653,291,323
Debt Limit (5% of full valuation) <sup>(2)</sup> .....	\$32,158,181	\$32,664,566
Outstanding Indebtedness <sup>(3)</sup>		
<u>Inclusions</u>		
Bonds.....	\$53,445,000	\$53,445,000
Bond Anticipation Notes.....	2,800,000	2,800,000
Total Inclusions.....	<u>\$56,245,000</u>	<u>\$56,245,000</u>
<u>Exclusions</u>		
Bonds Previously Refunded.....	\$0	\$0
Appropriations.....	2,945,000	2,945,000
Total Exclusions.....	<u>\$2,945,000</u>	<u>\$2,945,000</u>
Total Net Indebtedness.....	\$53,300,000	\$53,300,000
Net Debt Contracting Margin.....	\$(21,141,819)	\$(20,635,434)
Percentage of Debt Contracting Power Exhausted.....	165.74%	163.17%

(1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$25,260,000 School District Bonds to DASNY in connection with the refunding of \$15,810,000 of the District's outstanding serial bonds securing the Series 2007A Bonds and \$10,185,000 of the District's outstanding serial bonds securing the Series 2007B Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

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

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

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

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**Appendix C**

**Estimated Overlapping Indebtedness**

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

<b>Unit</b>	<b>Outstanding Indebtedness<sup>(1)</sup></b>	<b>Exclusions<sup>(2)</sup></b>	<b>Net Indebtedness</b>	<b>% Within District</b>	<b>Applicable Net Indebtedness</b>
<b>County of:</b>					
Fulton	\$130,988	\$130,988	\$0	27.10%	\$0
<b>Towns of:</b>					
Johnstown	250,819	248,029	2,790	45.12	1,259
Bleecker	0	0	0	97.87	0
Cargo	0	0	0	0.63	0
Mayfield	0	0	0	0.22	0
<b>City of:</b>					
Gloversville	4,194,200	0	4,194,200	98.01	4,110,735
				<b>Total</b>	<b>\$4,111,994</b>

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

**Debt Ratios**

The table below sets forth certain ratios relating to the District’s indebtedness as of March 24, 2015.

**Debt Ratios  
As of March 24, 2015<sup>(1)</sup>**

	<b>Amount</b>	<b>Per Capita<sup>(2)</sup></b>	<b>Percentage of Full Value<sup>(3)</sup></b>
Gross Indebtedness <sup>(4)</sup> .....	\$56,245,000	\$2,972.94	8.16%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	60,336,994	3,190.28	8.76

- (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 18,919.
- (3) Based on the District’s full value of taxable real estate using the special State equalization rates for 2014-15 of \$689,028,221.
- (4) The District expects to deliver \$25,260,000 School District Bonds to DASNY in connection with the refunding of \$15,810,000 of the District’s outstanding serial bonds securing the Series 2007A Bonds and \$10,185,000 of the District’s outstanding serial bonds securing the Series 2007B Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

**Cash Flow Borrowing**

The District issued \$5,215,000 of Revenue Anticipation Notes in the 2007-08 fiscal year and \$5,000,000 in the 2008-09 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**

There are no other authorized projects approved by the District for which debt has been authorized but not issued. The District is in the early stages of planning a capital project with a vote planned for 2016. Further information is not available at this time.

## **FINANCIAL FACTORS**

### **General Information**

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

City School District of the City of Gloversville  
<http://emma.msrb.org/EA659644-EA516472-EA912656.pdf>  
Base CUSIP: 379874

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

### **Real Estate Property Tax Collection Procedure**

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

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

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

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*Appendix C*

**Valuations, Rates and Tax Levy**

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

**Valuations, Rates and Tax Levy**

	<b>Assessed Valuation Years Ending June 30,</b>				
	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
<b>City of:</b>					
Gloversville	\$359,451,569	\$358,900,478	\$357,776,998	\$358,704,936	\$357,570,280
<b>Towns of:</b>					
Johnson	140,908,155	141,518,775	141,860,359	144,752,896	145,875,716
Bleecker	97,144,445	97,282,877	97,519,540	95,774,609	95,834,087
Caroga	723,785	678,166	774,766	774,766	696,566
Mayfield	735,600	735,600	735,600	735,690	735,600
<b>Total Assessed Valuation</b>	<b><u><u>\$598,963,554</u></u></b>	<b><u><u>\$599,115,896</u></u></b>	<b><u><u>\$598,667,263</u></u></b>	<b><u><u>\$600,742,897</u></u></b>	<b><u><u>\$600,712,249</u></u></b>

	<b>State Equalization Rates Years Ending June 30,</b>				
	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
<b>City of:</b>					
Gloversville	100.00%	100.00%	100.00%	100.00%	100.00%
<b>Towns of:</b>					
Johnson	73.00	79.00	78.00	79.00	77.00
Bleecker	100.00	100.00	100.00	100.00	100.00
Caroga	45.00	44.00	44.41	46.00	47.50
Mayfield	70.00	71.00	74.00	75.00	71.00
<b>Taxable Full Valuation</b>	<b>\$652,280,152</b>	<b>\$637,898,388</b>	<b>\$639,907,423</b>	<b>\$640,376,253</b>	<b>\$645,355,860</b>

	<b>Special State Equalization Ratios Years Ending June 30,</b>				
	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
<b>City of:</b>					
Gloversville	98.58%	106.22%	100.75%	96.65%	93.24%
<b>Towns of:</b>					
Johnson	77.29	77.39	75.48	74.65	73.24
Bleecker	99.18	101.35	101.03	95.67	92.59
Caroga	39.78	41.02	46.06	43.25	39.66
Mayfield	73.29	74.10	70.14	68.49	66.95
<b>Taxable Full Valuation</b>	<b>\$647,711,052</b>	<b>\$619,381,530</b>	<b>\$642,314,117</b>	<b>\$668,021,697</b>	<b>\$689,028,221</b>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Tax Levy	\$12,828,644	\$13,213,428	\$13,477,501	\$13,747,051	\$13,975,252
% Uncollected When Due <sup>(1)</sup>	11.28%	11.06%	11.83%	10.88%	12.61%

<sup>(1)</sup> See “Real Estate Property Tax Collection Procedure.”

**State Aid**

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

**State Aid and Revenues**

<u>Fiscal Year</u>	<u>Total State Aid<sup>(1)</sup></u>	<u>Total Revenues<sup>(1)</sup></u>	<u>Percentage of Total Revenues Consisting of State Aid<sup>(1)</sup></u>
2010-2011	\$34,756,344	\$50,295,049	69.10%
2011-2012	36,886,811	52,854,621	69.79
2012-2013	36,881,159	53,720,390	68.65
2013-2014	39,128,125	56,531,247	69.22
2014-2015 (Budgeted)	40,410,368	60,494,468	66.80
2015-2016 (Proposed)	40,795,094	61,704,357	66.11

<sup>(1)</sup> General Fund only.

**Pension Payments**

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

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2010-2011	\$468,475	\$1,302,569
2011-2012	672,004	1,835,093
2012-2013	770,933	2,081,634
2013-2014	876,791	2,872,056
2014-2015 (Budgeted)	843,862	3,031,299
2015-2016 (Proposed)	836,724	3,078,299

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

**GASB 45 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, 2013, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees’ service rendered to the measurement date, is \$59,905,827. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$59,905,827. For the fiscal year ending June 30, 2014, the District’s beginning year Net OPEB obligation was \$28,608,362. The District’s annual

## ***Appendix C***

OPEB expense was \$4,611,208 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$2,585,647 to the Plan for the fiscal year ending June 30, 2014 to 796 employees, resulting in a net increase to its unfunded OPEB obligation of \$2,025,561, for a fiscal year ending June 30, 2014 total net unfunded OPEB obligation of \$30,633,923. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2014 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$669,137 in its General Fund for the fiscal year ended June 30, 2014, resulting in an unassigned General Fund balance of \$6,388,986 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*"

### **Historical Continuing Disclosure Compliance**

The District has certified to DASNY that it has in the previous five years complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12. Although the District made annual filings with the MSRB as required by Rule 15c2-12 in connection with DASNY's School Districts Revenue Bond Financing Program Revenue Bonds, Series 2012F (the "Series 2012 Bonds"), the District made such filings under its CUSIP number and, at the time of filing, did not link such filings to the DASNY CUSIP numbers for the Series 2012 Bonds. To correct this CUSIP linkage oversight, a notice linked to the DASNY CUSIP numbers for the Series 2012 Bonds was filed with the MSRB on April 2, 2015 explaining that the District's annual filings are available under the District's CUSIP numbers as described in the notice and may be filed in the future under such CUSIP numbers.

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## Principal and Interest Requirements

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

### Schedule of Debt Service on Long-Term Bond Indebtedness

<u>Fiscal Year</u>	<u>Existing Debt Service*</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2014-2015	\$7,538,221	\$198,869	\$7,737,091
2015-2016	6,311,000	1,157,447	7,468,447
2016-2017	6,311,090	1,203,625	7,514,715
2017-2018	3,898,896	3,523,425	7,422,321
2018-2019	2,100,925	5,274,825	7,375,750
2019-2020	2,102,013	5,286,350	7,388,363
2020-2021	1,956,713	5,273,100	7,229,813
2021-2022	1,954,750	2,749,100	4,703,850
2022-2023	1,953,625	2,754,350	4,707,975
2023-2024	1,953,075	530,225	2,483,300
2024-2025	502,800	534,725	1,037,525
2025-2026	-	528,725	528,725
2026-2027	-	536,725	536,725
2027-2028	-	528,475	528,475
2028-2029	-	534,725	534,725
2029-2030	-	529,725	529,725
2030-2031	-	536,238	536,238
2031-2032	-	527,100	527,100
2032-2033	-	527,250	527,250
2033-2034	-	529,500	529,500
2034-2035	-	535,500	535,500

\* Excludes debt service on refunded bonds.

*Appendix C*

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**APPENDIX C-4  
DESCRIPTION OF  
MOUNT MARKHAM CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-4 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 all of 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 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.

**Population**

The current estimated population of the District is 7,224 (Source: 2013 U.S. Census Bureau estimate)

**Five Largest Employers**

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Mount Markham Central School District	Public Education	244
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>	<u>Full Valuation</u>
Tennessee Gas Pipeline Co.	Utility	\$23,590,295
Curtain Dairy LLP	Dairy Farm	11,789,502
State of New York	State Owned Forest Land	4,134,188
New York State Electric and Gas Corporation	Utility	4,058,179
Cedar Lake Club	Golf Course	3,658,427

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 15.17 % of the tax base of the District.



## Appendix C

### Unemployment Rate Statistics

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

	<b>Year Average</b>				
	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
Herkimer County	8.5%	8.6%	8.8%	8.1%	N/A
Madison County	8.3	8.3	8.6	7.8	N/A
Oneida County	7.9	8.2	8.5	7.7	N/A
Otsego County	7.6	7.7	7.8	7.0	5.7%
New York State	8.6	8.2	8.5	7.7	6.5

### Enrollment

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

	<b><u>2010-11</u></b>	<b><u>2011-12</u></b>	<b><u>2012-13</u></b>	<b><u>2013-14</u></b>	<b><u>2014-15</u></b>	<b><u>Projected 2015-16</u></b>	<b><u>Projected 2016-17</u></b>
Pre-K-12	1,216	1,203	1,147	1,138	1,119	1,120	1,120

### District Employees

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

<b><u>Number of Employees</u></b>	<b><u>Bargaining Unit</u></b>	<b><u>Contract Expiration Date</u></b>
108	Mount Markham Teachers' Association	June 30, 2015 <sup>(1)</sup>
56	Service Unit Association of Mount Markham	June 30, 2014 <sup>(2)</sup>
28	Bus Drivers' Association of Mount Markham	June 30, 2017
4	Mount Markham Administrators' Association	June 30, 2014 <sup>(2)</sup>

<sup>(1)</sup> Currently under negotiations.

<sup>(2)</sup> Currently the District and the Associations have a tentative agreement which should be finalized within the next 30 days.

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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 March 24, 2015<sup>(1)</sup>**

Full Valuation of Taxable Real Property .....	\$350,715,516
Debt Limit (10% of Full Valuation) .....	35,071,551
Gross Indebtedness <sup>(2)</sup> .....	\$16,945,000
Less: Exclusions – Estimated Building Aid <sup>(3)</sup> .....	0
Total Net Indebtedness .....	\$16,945,000
Net Debt Contracting Margin .....	\$18,126,551
Percentage of Debt Contracting Power Exhausted .....	48.32%

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

(2) The District expects to deliver \$10,615,000 School District Bonds to DASNY in connection with the refunding of \$10,695,000 of the District's outstanding serial bonds securing the Series 2008D Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

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

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*Appendix C*

**Estimated Overlapping Indebtedness**

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

<u>Unit</u>	<u>Outstanding Indebtedness<sup>(1)</sup></u>	<u>Exclusions<sup>(2)</sup></u>	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
<b>Counties of:</b>					
Herkimer	\$6,945,000	\$0	\$6,945,000	4.23%	\$293,774
Madison	12,120,000	0	12,120,000	0.65	78,780
Oneida	139,705,140	0	139,705,140	0.61	852,201
Otsego	16,672,060	0	16,672,060	1.57	261,751
<b>Towns of:</b>					
Bridgewater	0	0	0	100.00	0
Brookfield	121,439	0	121,439	21.96	26,668
Columbia	0	0	0	26.94	0
Edmeston	0	0	0	2.92	0
Exeter	0	0	0	17.22	0
Frankfort	0	0	0	0.79	0
Litchfield	0	0	0	84.63	0
Paris	1,875,600	0	1,875,600	0.10	1,876
Plainfield	0	0	0	93.24	0
Richfield	0	0	0	5.61	0
Winfield	282,919	0	282,919	100.00	282,919
<b>Villages of:</b>					
Bridgewater	0	0	0	100.00	0
West Winfield	0	0	0	100.00	0
Total					\$1,797,969

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

(2) Information not available from source document.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2013.

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## Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of March 24, 2015.

### Debt Ratios As of March 24, 2015<sup>(1)</sup>

	<u>Amount</u>	<u>Per Capita</u> <sup>(2)</sup>	<u>Percentage of Full Value</u> <sup>(3)</sup>
Gross Indebtedness <sup>(4)</sup> .....	\$16,945,000	\$2,345.65	4.83%
Gross Indebtedness Plus Net Overlapping Indebtedness .....	18,742,969	2,594.54	5.34

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

(2) Based on the District's current estimated population of 7,224. (Source: 2013 U.S. Census Bureau estimate)

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2014-15 of \$350,715,516.

(4) The District expects to deliver \$10,615,000 School District Bonds to DASNY in connection with the refunding of \$10,695,000 of the District's outstanding serial bonds securing the Series 2008D Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

## Cash Flow Borrowing

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

## Capital Project Plans

The District has an authorization for a capital project in the amount of \$12,928,163. The authorization is for capital improvements consisting of construction and reconstruction of school buildings and facilities. Construction is anticipated to start in the Summer of 2015.

## 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  
<http://emma.msrb.org/EA676477-EA529876-EA926114.pdf>  
 Base CUSIP: 621895

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

### Real Estate Property Tax Collection Procedure

School taxes are due September 1. If paid by September 30, no penalty is imposed. There is a 2% penalty if paid by the end of October. On November 1, a list of all unpaid taxes is given to the 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.

*Appendix C*

**Valuations, Rates and Tax Levy**

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

**Valuations, Rates and Tax Levy**

	<b>Assessed Valuation Years Ending June 30,</b>				
	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
<b>Towns of:</b>					
Bridgewater	\$49,896,413	\$49,874,929	\$54,461,505	\$54,702,475	\$55,646,282
Brookfield	24,228,341	24,695,998	24,801,951	25,176,729	25,150,813
Columbia	16,659,646	16,954,542	17,017,620	17,149,071	17,368,948
Edmeston	1,822,421	1,833,186	2,002,460	1,924,828	1,927,859
Exeter	6,558,668	6,481,991	6,597,658	6,651,465	6,626,386
Frankfort	2,022,287	2,017,224	2,021,579	2,031,195	2,034,443
Litchfield	55,928,313	56,795,392	57,436,086	57,518,519	58,619,809
Paris	162,611 <sup>(1)</sup>	235,370 <sup>(1)</sup>	239,835	244,766	245,854
Plainfield	62,389,324	60,726,143	60,890,938	61,174,161	60,685,667
Richfield	8,152,529	8,250,050	8,517,224	8,550,733	8,623,292
Winfield	91,623,966	92,013,802	92,759,414	93,579,029	94,089,195
<b>Total Assessed Valuation</b>	<b><u>\$319,444,519</u></b>	<b><u>\$319,878,627</u></b>	<b><u>\$326,746,270</u></b>	<b><u>\$328,702,971</u></b>	<b><u>\$331,018,548</u></b>

<sup>(1)</sup> Difference due to town-wide revaluation.

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

	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
<b>Towns of:</b>					
Bridgewater	100.00%	100.00%	98.00%	97.00%	90.50%
Brookfield	100.00	100.00	100.00	100.00	100.00
Columbia	95.00	95.00	92.00	90.00	89.00
Edmeston	56.00	55.00	55.00	58.00	58.00
Exeter	54.00	57.00	58.00	58.00	61.61
Frankfort	75.00	75.00	75.00	68.44	70.00
Litchfield	95.00	95.00	92.00	90.00	89.00
Paris	79.00	100.00	100.00	107.92	100.00
Plainfield	112.43	115.91	119.13	122.09	128.78
Richfield	93.00	95.00	99.00	97.56	100.00
Winfield	95.00	95.00	92.00	90.00	89.00
<b>Taxable Full Valuation</b>	<b>\$329,539,498</b>	<b>\$327,764,084</b>	<b>\$339,795,960</b>	<b>\$345,363,459</b>	<b>\$350,715,516</b>

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

	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
Total Tax Levy	\$5,791,860	\$6,124,128	\$6,238,999	\$6,361,591	\$6,489,610
% Uncollected When Due <sup>(1)</sup>	14.54%	13.82%	13.81%	11.73%	11.86%

<sup>(1)</sup> 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 budgeted figures for the 2015-2016 fiscal year.

### State Aid and Revenues

<u>Fiscal Year</u>	<u>Total State Aid</u> <sup>(1)</sup>	<u>Total Revenues</u> <sup>(1)</sup>	<u>Percentage of Total Revenues Consisting of State Aid</u> <sup>(1)</sup>
2010-2011	\$18,366,792	\$25,191,220	72.91%
2011-2012	15,765,352	22,478,685	70.13
2012-2013	15,728,114	22,427,079	70.13
2013-2014	16,844,489	23,682,169	71.13
2014-2015 (Budgeted)	16,869,884	23,523,314	71.72
2015-2016 (Proposed)	16,869,884	23,523,314	71.72

<sup>(1)</sup> General Fund only.

## Pension Payments

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

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2010-2011	\$202,180	\$534,845
2011-2012	281,405	678,799
2012-2013	302,199	791,693
2013-2014	426,259	1,094,806
2014-2015 (Budgeted)	416,728	1,275,167
2015-2016 (Proposed)	343,403	996,048

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

## GASB 45 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, 2013, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$55,844,470. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$55,844,470. For the fiscal year ending June 30, 2014, the District's beginning year Net OPEB obligation was \$14,572,980. The District's annual OPEB expense was \$5,104,509 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,883,364 to the Plan for the fiscal year ending June 30, 2014 to 349 employees, resulting in a net increase to its unfunded OPEB obligation of \$3,221,145, for a fiscal year ending June 30, 2014 total net unfunded OPEB obligation of \$17,794,125. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2014 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

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

## Appendix C

### Recent Operating Results

The District's revenues exceeded its expenditures by \$138,437 in its General Fund for the fiscal year ended June 30, 2014, resulting in an unassigned General Fund balance of \$1,012,831 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

<b><u>Fiscal Year</u></b>	<b><u>Existing Debt Service*</u></b>	<b><u>New Debt Service</u></b>	<b><u>Total Debt Service</u></b>
2014-2015	\$2,692,982	\$268,524	\$2,961,506
2015-2016	1,542,826	538,050	2,080,876
2016-2017	1,545,226	537,750	2,082,976
2017-2018	1,543,501	542,350	2,085,851
2018-2019	-	2,081,750	2,081,750
2019-2020	-	2,074,000	2,074,000
2020-2021	-	2,072,750	2,072,750
2021-2022	-	2,077,500	2,077,500
2022-2023	-	2,072,750	2,072,750
2023-2024	-	2,073,750	2,073,750

\* Excludes debt service on refunded bonds.

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

There follows in this Appendix C-5 a brief description of the City School District of the City of Peekskill (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 northwest corner of Westchester County. The Hudson River borders the City of Peekskill (the “City”) on the west and the Town of Cortlandt surrounds the City to the north, east and south. The District is wholly within and is about two-thirds the size of the City land area, comprising four square miles of the total City area of six square miles; however, it contains the business area of the City and a large part of the City’s residential area and includes 90% of the City’s taxable assessed valuation.

The District provides public education for grades Pre-K-12. District facilities currently include a high school, a middle school and four elementary schools. The combined total capacity of all facilities is presently 4,759. Due to enrollment growth, the District opened a fourth school in the 2013-14 school year to house a Pre-K program and an alternative high school program. Opportunities for higher education include Westchester County Community College, as well as the many colleges and universities in and around the Westchester County area.

Electricity and natural gas are provided by Con Edison; telephone service by Verizon New York, Inc. The City provides residents with general municipal services including water, sewer, police and fire protection, property assessment and recreation. The County provides various social and health services. Additional police protection is provided by the County Sheriff’s Departments and the New York State Police.

**Population**

The current estimated population of the District is 24,072. (Source: 2013 U.S. Census Bureau estimate)

**Five Largest Employers**

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Entergy Northeast	Indian Point Power Plant	1,113
Hudson Valley Hospital Center	Medical Center	650
Peekskill City School District	Public Education	484
White Plains Linen	Manufacturer	450
BASF Corp.	Manufacturer	242

**Five Largest Taxpayers**

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Consolidated Edison	Utility	\$82,292,897
Beach Improvements LLC	Shopping Center	22,429,906
Engelhardt Corporation	Manufacturing	15,163,200
Crompond Apartments	Co-Op Apartments	13,168,224
Crossroads Associates, LLC	Co-Op Apartments	12,046,728

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 14.32% of the tax base of the District.



*Appendix C*

**Unemployment Rate Statistics**

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

	<b>Year Average</b>				
	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
Westchester County	7.3%	7.0%	7.2%	6.3%	N/A
New York State	8.6	8.2	8.5	7.7	6.5%

**Enrollment**

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

	<b><u>2010-11</u></b>	<b><u>2011-12</u></b>	<b><u>2012-13</u></b>	<b><u>2013-14</u></b>	<b><u>2014-15</u></b>	<b>Projected <u>2015-16</u></b>	<b>Projected <u>2016-17</u></b>
Pre-K-12	2,835	2,893	3,237	3,345	3,345	3,445	3,555

**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.

<b><u>Number of Employees</u></b>	<b><u>Bargaining Unit</u></b>	<b><u>Contract Expiration Date</u></b>
306	Peekskill Faculty Association	June 30, 2016
22	Peekskill Association of Educational Secretaries	June 30, 2016
30	Custodial & Maintenance Employees Unit	June 30, 2016
59	Peekskill Teachers' Aides' Association	June 30, 2016
12	Peekskill Administrators Association	June 30, 2017
11	Security Employees Unit	June 30, 2016

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## DISTRICT INDEBTEDNESS

## Debt Limit

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

**Net Debt Contracting Margin  
As of March 24, 2015<sup>(1)</sup>**

	<b>Based on Conventional Equalization Rates</b>	<b>Based On Special Equalization Ratios</b>
Five Year Average Full Valuation of Taxable Real Property.....	\$1,491,235,051	\$1,398,443,847
Debt Limit (5% of full valuation) <sup>(2)</sup> .....	\$74,561,753	\$69,922,192
Outstanding Indebtedness <sup>(3)</sup>		
<u>Inclusions</u>		
Bonds.....	\$75,755,000	\$75,755,000
Bond Anticipation Notes.....	378,882	378,882
Total Inclusions.....	<u>\$76,133,882</u>	<u>\$76,133,882</u>
<u>Exclusions</u>		
Bonds Previously Refunded.....	\$16,360,000	\$16,360,000
Appropriations.....	354,739	354,739
Total Exclusions.....	<u>\$16,714,739</u>	<u>\$16,714,739</u>
Total Net Indebtedness.....	\$59,419,143	\$59,419,143
Net Debt Contracting Margin.....	\$15,142,610	\$10,503,049
Percentage of Debt Contracting Power Exhausted.....	79.69%	84.98%

(1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$24,145,000 School District Bonds to DASNY in connection with the refunding of \$25,745,000 of the District's outstanding serial bonds securing the Series 2006A Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

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

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

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**Appendix C**

**Estimated Overlapping Indebtedness**

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

<u>Unit</u>	<u>Outstanding Indebtedness<sup>(1)</sup></u>	<u>Exclusions</u>	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
<b>County of:</b>					
Westchester	\$1,432,623,369	N/A	\$1,432,623,369	0.87%	\$12,463,823
<b>City of:</b>					
Peekskill	64,767,258	N/A	64,767,258	81.82	<u>52,992,570</u>
				Total	<u>\$65,456,394</u>

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

N/A Information not available from source document.

Source: Comptroller’s Special Report on Municipal Affairs for Local Fiscal Years Ended in 2013

**Debt Ratios**

The table below sets forth certain ratios relating to the District’s indebtedness as of March 24, 2015.

**Debt Ratios  
As of March 24, 2015<sup>(1)</sup>**

	<u>Amount</u>	<u>Per Capita<sup>(2)</sup></u>	<u>Percentage of Full Value<sup>(3)</sup></u>
Gross Indebtedness <sup>(4)</sup> .....	\$76,133,882	\$3,162.76	5.67%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	141,590,276	5,881.95	10.54

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

(2) Based on the District’s current estimated population of 24,072 (2013 U.S. Census estimate).

(3) Based on the District’s full value of taxable real estate using the special State equalization rates for 2014-15 of \$1,343,873,404.

(4) The District expects to deliver \$24,145,000 School District Bonds to DASNY in connection with the refunding of \$25,745,000 of the District’s outstanding serial bonds securing the Series 2006A Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

**Cash Flow Borrowing**

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

**Capital Project Plans**

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

**FINANCIAL FACTORS**

**General Information**

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and

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

City School District of the City of Peekskill  
<http://emma.msrb.org/ER819087-ER637705-ER1039331.pdf>  
 Base CUSIP: 705404

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

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

### Real Estate Property Tax Collection Procedure

School taxes are levied by the Board of Education upon the adoption of the final budget and completion of the assessment rolls by the City and collected by the Comptroller of the City. School taxes are due in equal installments on July 1 and February 1. Each installment is payable without penalty for one month, after which a penalty is added at the rate of 1.5% per month until paid. Tax sales are held at the discretion of the City Council. The City is required to remit moneys received from the collection of unpaid school taxes at least once each month. The Real Property Tax Law provides for additional remittances for unpaid school taxes and properties included in a tax sale conducted by the City. In general, the District must receive the full amount of its unpaids within two years after the return of the statement of unpaid taxes. However, the City has maintained a policy of remitting unpaid taxes to the District within one year, thus assuring the District of 100% of its tax collections in the year of levy.

### Valuations, Rates and Tax Levy

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

<b>Valuations, Rates and Tax Levy</b>					
<b>Assessed Valuation Years Ending June 30,</b>					
	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
<b>City of:</b>					
Peekskill	\$58,284,411	\$57,986,734	\$56,810,354	\$56,694,777	\$56,845,845
<b>Total Assessed Valuation</b>	<u>\$58,284,411</u>	<u>\$57,986,734</u>	<u>\$56,810,354</u>	<u>\$56,694,777</u>	<u>\$56,845,845</u>
<b>State Equalization Rates Years Ending June 30,</b>					
	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
<b>City of:</b>					
Peekskill	3.50%	3.72%	3.85%	4.28%	3.97%
<b>Taxable Full Valuation</b>	\$1,665,268,886	\$1,558,783,172	\$1,475,593,610	\$1,324,644,322	\$1,431,885,264

*Appendix C*

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>City of:</b>					
Peekskill	3.80%	3.94%	4.32%	4.27%	4.23%
<b>Taxable Full Valuation</b>	\$1,533,800,289	\$1,471,744,518	\$1,315,054,491	\$1,327,746,534	\$1,343,873,404

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Tax Levy	\$34,001,633	\$35,020,703	\$36,188,501	\$37,431,286	\$38,016,983
% Uncollected When Due <sup>(1)</sup>	2.68%	1.97%	1.49%	1.14%	48.35% <sup>(2)</sup>

<sup>(1)</sup> See “– Real Estate Property Tax Collection Procedure” herein.  
<sup>(2)</sup> Collections as of December 31, 2014.

**State Aid**

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

**State Aid and Revenues**

<u>Fiscal Year</u>	<u>Total State Aid<sup>(1)</sup></u>	<u>Total Revenues<sup>(1)</sup></u>	<u>Percentage of Total Revenues Consisting of State Aid<sup>(1)</sup></u>
2010-2011	\$29,108,462	\$70,335,291	41.39%
2011-2012	28,505,225	69,955,956	40.75
2012-2013	28,871,702	75,435,536	38.27
2013-2014	30,141,179	74,094,171	40.68
2014-2015 (Budgeted)	33,465,697	77,360,305	43.26
2015-2016 (Proposed)	33,465,697	77,360,305	43.26

<sup>(1)</sup> General Fund only.

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## Pension Payments

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

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2010-2011	\$787,951	\$2,422,326
2011-2012	837,619	3,192,930
2012-2013	1,118,988	3,448,413
2013-2014	1,213,355	4,833,101
2014-2015 (Budgeted)	1,264,369	4,607,454
2015-2016 (Proposed)	1,311,314	4,362,122

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

## GASB 45 and OPEB

The District contracted with Aquarius Capital Solutions Group, LLC to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of July 1, 2013, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$83,292,195. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$83,292,195. For the fiscal year ending June 30, 2014, the District's beginning year Net OPEB obligation was \$9,509,350. The District's annual OPEB expense was \$4,021,444 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$3,547,014 to the Plan for the fiscal year ending June 30, 2014 to 637 employees, resulting in a net increase to its unfunded OPEB obligation of \$474,430, for a fiscal year ending June 30, 2014 total net unfunded OPEB obligation of \$9,983,780. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2014 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$6,245,393 in its General Fund for the fiscal year ended June 30, 2014, resulting in an unassigned General Fund balance of (\$649,970) 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.*"

The District has a deficit unassigned fund balance in the General Fund of \$649,970 as of June 30, 2014. The deficit is a result of the accounting treatment of a \$2,887,000 bond anticipation note issued to pay tax certiorari judgments during the year ended June 30, 2014. Bond anticipated notes are reported as a liability in the governmental funds until all principal payments have been made or the notes have been converted to long term financing. When the notes are converted to long term financing, the General Fund will recognize the corresponding revenue and the deficit will be eliminated.

Exclusive of the \$2,887,000 bond anticipation note, the General Fund unassigned fund balance is \$2,237,030, which is 2.85% of the subsequent year's budgeted expenditures.

## Appendix C

### Historical Continuing Disclosure Compliance

In connection with a prior Series of Bonds issued by DASNY to finance Loans to the District, the District agreed to make certain periodic filings of financial information on EMMA on or prior to the 180th day after June 30 of each year. Financial information required to be filed by the District on or before December 26, 2010 was not filed by the District with the MSRB until May 24, 2011. In addition, although the District made annual filings with the MSRB as required by Rule 15c2-12 in connection with DASNY's School Districts Revenue Bond Financing Program Revenue Bonds, Series 2014F (the "Series 2014 Bonds"), the District made such filings under its CUSIP number and at the time of filing did not link such filings to the DASNY CUSIP numbers for such Series 2014 Bonds. To correct this CUSIP linkage oversight, a notice linked to the DASNY CUSIP numbers for the Series 2014 Bonds was filed with the MSRB on April 2, 2015 explaining that the Peekskill School District's annual filings are available under the Peekskill School District's CUSIP numbers as described in the notice and may be filed in the future under such CUSIP numbers.

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

### Principal and Interest Requirements

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

#### Schedule of Debt Service on Long-Term Bond Indebtedness<sup>(1)</sup>

<u>Fiscal Year</u>	<u>Existing Debt Service</u> *	<u>New Debt Service</u>	<u>Total Debt Service</u>
2014-2015	\$5,996,897	-	\$5,996,897
2015-2016	6,080,045	\$1,069,946	7,149,991
2016-2017	6,080,729	1,126,675	7,207,404
2017-2018	4,827,016	2,327,000	7,154,016
2018-2019	4,820,102	2,331,700	7,151,802
2019-2020	4,692,579	2,332,375	7,024,954
2020-2021	3,218,372	1,865,375	5,083,747
2021-2022	3,219,247	1,862,500	5,081,747
2022-2023	3,216,361	1,862,250	5,078,611
2023-2024	3,211,886	1,859,500	5,071,386
2024-2025	3,208,136	1,859,125	5,067,261
2025-2026	3,209,518	1,860,875	5,070,393
2026-2027	2,753,189	1,864,500	4,617,689
2027-2028	2,754,831	1,864,875	4,619,706
2028-2029	2,687,878	1,862,000	4,549,878
2029-2030	2,605,466	1,865,625	4,471,091
2030-2031	2,597,494	1,860,625	4,458,119
2031-2032	2,615,206	1,861,875	4,477,081
2032-2033	2,283,100	1,864,000	4,147,100
2033-2034	2,287,553	1,861,631	4,149,184
2034-2035	1,103,988	1,860,881	2,964,869

<sup>(1)</sup> Schedule does not include remaining payments of \$4,228,465 due under an energy performance contract.

\* Excludes debt service on refunded bonds.

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

There follows in this Appendix C-6 a brief description of the Phoenix 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 70 square miles and centers around the incorporated Village of Phoenix. The District is located in upstate New York approximately 10 miles southeast of the City of Fulton and 15 miles northwest of the City of Syracuse. The District includes nearly all of the Town of Schroepfel, and smaller portions of the Towns of Palermo, Granby, Volney and Hastings in Oswego County and smaller portions of the Towns of Clay and Lysander in Onondaga County.

The District is primarily an agricultural and residential community in character with dairy and poultry farming predominate. Employment, commercial and retail services can be found in the Village of Phoenix as well as the Syracuse and Fulton metropolitan areas.

Transportation is provided by State and County highway routes 481 and 57 as well as CENTRO bus lines. The Syracuse interchanges of the New York State Thruway are located about 5 miles south of the District.

The District is served by volunteer fire departments and receives police protection from local and state agencies. Gas and electricity are provided by National Grid (formerly Niagara Mohawk Power Corporation). Sewer services are provided by various municipalities with water service provided by the Village of Phoenix. Banking services are provided by JPMorgan Chase Bank, N.A. and M & T Bank.

**Population**

The current estimated population of the District is 12,106. (Source: 2013 U.S. Census Bureau estimate)

**Five Largest Employers**

<u>Name</u>	<u>Type</u>	<u>Employees</u>
ORC Plastics	Plastic Manufacturer	50
B-Q Distributors Service Inc.	Commercial	39
Sharon Fox Chevrolet	Commercial	32
Town of Schroepfel	Government Services	30
Nice & Easy Shop	Commercial	23

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*Appendix C*

**Five Largest Taxpayers**

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid (formerly Niagara Mohawk Power Corporation)	Utility	\$46,788,749
Dominion <sup>(1)</sup>	Gas Transmission Line	21,766,068
Empire State Pipeline	Gas Transmission Line	8,142,648
Verizon	Utility	2,980,234
Oswego Hydropartners LP	Utility	1,417,300

<sup>(1)</sup> Dominion was reassessed this past year after adding a pipeline and it is contesting the increased assessed value.

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 11.6% of the tax base of the District.

**Unemployment Rate Statistics**

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

	<b>Year Average</b>				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Oswego County	10.8%	10.4%	10.4%	9.5%	N/A
Onondaga County	8.1	7.8	8.0	7.0	N/A
New York State	8.6	8.3	8.5	7.7	6.5%

**Enrollment**

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

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<b>Projected</b> <u>2015-16</u>	<b>Projected</b> <u>2016-17</u>
K-12	2,103	2,069	1,950	1,837	1,850	1,850	1,850

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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.

<b><u>Number of Employees</u></b>	<b><u>Bargaining Unit</u></b>	<b><u>Contract Expiration Date</u></b>
274	NYSUT Teachers' Association	June 30, 2019
105	Phoenix Central Civil Service Employees Association	June 30, 2019
15	New York State United Teachers Clerical Association	June 30, 2019
14	Phoenix Central School Administrators	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 March 24, 2015<sup>(1)</sup>**

Full Valuation of Taxable Real Property .....	\$611,536,354
Debt Limit (10% of Full Valuation) .....	61,153,635
Gross Indebtedness <sup>(2)</sup> .....	\$46,172,198
Less: Exclusions – Estimated Building Aid <sup>(3)</sup> .....	0
Total Net Indebtedness .....	\$46,172,198
Net Debt Contracting Margin .....	\$14,981,437
Percentage of Debt Contracting Power Exhausted .....	75.50%

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

<sup>(2)</sup> Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$19,630,000 School District Bonds to DASNY in connection with the refunding of \$18,570,000 of the District's outstanding serial bonds securing the Series 2008C Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

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

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**Appendix C**

**Estimated Overlapping Indebtedness**

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

<b>Unit</b>	<b>Outstanding Indebtedness<sup>(1)</sup></b>	<b>Exclusions<sup>(2)</sup></b>	<b>Net Indebtedness</b>	<b>% Within District</b>	<b>Applicable Net Indebtedness</b>
<b>Counties of:</b>					
Oswego	\$15,365,000	\$0	\$15,365,000	10.26%	\$1,576,449
Onondaga	534,598,657	275,491,588	259,107,069	0.51	1,321,446
<b>Towns of:</b>					
Granby	6,707,785	6,700,585	7,200	18.52	1,333
Hastings	17,353,894	10,457,353	6,896,541	0.04	27,586
Palermo	64,657	0	64,657	22.15	14,322
Schroepfel	1,064,260	822,260	242,000	98.70	238,854
Volney	9,039,735	8,979,735	60,000	6.55	3,930
Clay	4240,000	1,020,600	3,219,400	1.29	41,530
Lysander	4,014,997	0	4,014,997	5.52	221,628
<b>Village of:</b>					
Phoenix	3,020,160	2,817,377	202,783	100.00	202,783
				<b>Total</b>	<b>\$3,482,088</b>

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

(2) Sewer and water debt.

**Debt Ratios**

The table below sets forth certain ratios relating to the District’s indebtedness as of March 24, 2015.

**Debt Ratios  
As of March 24, 2015<sup>(1)</sup>**

	<b>Amount</b>	<b>Per Capita<sup>(2)</sup></b>	<b>Percentage of Full Value<sup>(3)</sup></b>
Gross Indebtedness <sup>(4)</sup> .....	\$46,172,198	\$3,813.99	7.55%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	49,654,286	4,101.63	8.12

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

(2) Based on the District’s current estimated population of 12,106.

(3) Based on the District’s full value of taxable real estate using the State equalization rates for 2014-15 of \$593,246,743.

(4) The District expects to deliver \$19,630,000 School District Bonds to DASNY in connection with the refunding of \$18,570,000 of the District’s outstanding serial bonds securing the Series 2008C Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

**Cash Flow Borrowing**

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

## Capital Project Plans

The District has authorized a project consisting of renovations to the District's Emerson J. Dillon Middle School, John C. Birdlebough High School and Michael A. Maroun Elementary School at a total maximum estimated cost of \$2,537,000.

## FINANCIAL FACTORS

### General Information

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

Phoenix Central School District  
<http://emma.msrb.org/EA653836-EA511795-EA907972.pdf>  
 Base CUSIP: 719117

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 45 days. On November 15th, uncollected taxes are returnable to the respective Counties for collection. The District receives this amount from said Counties prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by said Counties.

### 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

	<b>Assessed Valuation Years Ending June 30,</b>				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Towns of:</b>					
Granby	\$45,920,874	\$46,245,568	\$46,491,890	\$46,847,855	\$46,729,115
Hastings	159,191	159,368	160,882	181,313	181,366
Palermo	31,184,702	31,660,979	31,720,451	31,881,046	31,954,045
Schroepfel	310,586,617	311,249,348	310,980,876	312,084,233	312,792,115
Volney	16,232,389	16,234,282	16,676,253	16,687,817	17,690,781
Clay	1,847,620	1,878,027	1,892,123	1,905,875	1,931,451
Lysander	83,082,874	83,730,979	84,456,705	84,475,816	95,773,453
<b>Total Assessed Valuation</b>	<u>\$489,014,267</u>	<u>\$491,158,551</u>	<u>\$492,379,180</u>	<u>\$494,063,955</u>	<u>\$507,052,326</u>

*Appendix C*

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Towns of:</b>					
Granby	100.00%	100.00%	100.00%	100.00%	100.00%
Hastings	100.00	100.00	100.00	100.00	100.00
Palermo	100.00	100.00	100.00	100.00	100.00
Schroepfel	85.00	85.00	86.90	85.00	83.50
Volney	90.00	89.00	90.00	91.50	100.00
Clay	4.32	4.32	4.34	4.35	4.33
Lysander	100.00	100.00	100.00	100.00	100.00
<b>Taxable Full Valuation</b>	\$586,548,630	\$589,686,211	\$582,817,019	\$592,595,221	\$611,536,354

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Tax Levy	\$15,373,638	\$15,827,160	\$16,141,074	\$16,425,022	\$16,751,880
% Uncollected When Due <sup>(1)</sup>	7.2%	8.1%	7.0%	6.7%	6.40%

<sup>(1)</sup> 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 budgeted figures for the 2015-2016 fiscal year.

**State Aid and Revenues**

<u>Fiscal Year</u>	<u>Total State Aid<sup>(1)</sup></u>	<u>Total Revenues<sup>(1)</sup></u>	<u>Percentage of Total Revenues Consisting of State Aid<sup>(1)</sup></u>
2010-2011	\$22,727,197	\$40,293,647	56.40%
2011-2012	22,492,023	39,989,257	56.25
2012-2013	23,468,215	40,314,048	58.21
2013-2014	23,620,822	40,977,382	57.64
2014-2015 (Budgeted)	24,491,555	42,409,049	57.75
2015-2016 (Proposed)	24,819,900	43,005,144	57.71

<sup>(1)</sup> General Fund only.

### Pension Payments

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

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2010-2011	\$499,074	\$1,360,845
2011-2012	701,270	1,770,768
2012-2013	851,999	1,888,718
2013-2014	758,777	2,475,215
2014-2015 (Budgeted)	799,725	2,710,475
2015-2016 (Proposed)	735,000	2,076,587

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

### GASB 45 and OPEB

The District contracted with Grossman St. Amour to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2014, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$16,918,868. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$16,918,868. For the fiscal year ending June 30, 2014, the District's beginning year Net OPEB obligation was \$3,553,343. The District's annual OPEB expense was \$1,504,931 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$494,401 to the Plan for the fiscal year ending June 30, 2014 to 53 employees, resulting in a net increase to its unfunded OPEB obligation of \$560,530, for a fiscal year ending June 30, 2014 total net unfunded OPEB obligation of \$4,113,873. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2014 financial statements. The District has reserved \$761,257 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 \$1,075,571 in its General Fund for the fiscal year ended June 30, 2014, resulting in an unassigned General Fund balance of \$8,698,926 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*"

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**Appendix C**

**Principal and Interest Requirements**

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

**Schedule of Debt Service on Long-Term Bond Indebtedness<sup>(1)</sup>**

<b><u>Fiscal Year</u></b>	<b><u>Existing Debt Service*</u></b>	<b><u>New Debt Service</u></b>	<b><u>Total Debt Service</u></b>
2014-2015	\$1,897,563	\$363,111	\$2,260,674
2015-2016	3,488,863	1,166,136	4,654,999
2016-2017	3,488,431	1,096,681	4,585,113
2017-2018	3,389,106	1,095,381	4,484,488
2018-2019	2,544,138	1,963,256	4,507,394
2019-2020	2,414,863	1,959,256	4,374,119
2020-2021	2,418,263	1,952,756	4,371,019
2021-2022	2,417,413	1,948,756	4,366,169
2022-2023	2,420,675	1,961,631	4,382,306
2023-2024	1,938,275	1,951,006	3,889,281
2024-2025	1,455,975	1,967,256	3,423,231
2025-2026	655,375	1,964,381	2,619,756
2026-2027	659,038	1,967,881	2,626,919
2027-2028	656,763	1,972,131	2,628,894
2028-2029	298,700	1,234,381	1,533,081
2029-2030	-	635,875	635,875
2030-2031	-	641,819	641,819
2031-2032	-	636,938	636,938
2032-2033	-	632,875	632,875
2033-2034	-	638,750	638,750
2034-2035	-	638,125	638,125
2035-2036	-	636,250	636,250
2036-2037	-	643,000	643,000
2037-2038	-	638,125	638,125
2038-2039	-	235,750	235,750

<sup>(1)</sup> Schedule does not include remaining payments of \$873,840 due under an energy performance contract.

\* Excludes debt service on refunded bonds.

**APPENDIX C-7  
DESCRIPTION OF  
SOUTH SENECA CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-7 a brief description of the South Seneca 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 created in 1968 from the former Interlaken and Ovid School Districts. The District is located in the Towns of Covert, Lodi, Ovid and Romulus in Seneca County and the Town of Hector in Schuyler County. The Elementary School is located in the Village of Interlaken, while the Junior/Senior High School is in the Village of Ovid. The District is situated between Seneca and Cayuga Lakes, with the Cities of Geneva and Ithaca located 20 miles to the north and south, respectively.

The District is primarily a rural area, with farming a dominant activity. It’s serviced by New York State Routes 96, 96A, 89 and 414. Bus transportation is available in Geneva and Ithaca; air transportation is available at the Tompkins County Airport in Ithaca.

Water and sewer services are primarily by private systems, although the Villages of Ovid and Lodi operate public sewer systems. Electricity is provided by New York State Electric & Gas Corporation; telephone service by Trumansburg Home Telephone and Empire Telephone. Police protection is provided by the County Sheriffs’ 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 are available nearby at Hobart and William Smith Colleges in Geneva and at Ithaca College and Cornell University in Ithaca.

**Population**

The current estimated population of the District is 7,181. (Source: 2013 U.S. Census Bureau estimate)

**Five Largest Employers**

<u>Name</u>	<u>Type</u>	<u>Employees</u>
New York State Department of Corrections	Correctional Facility	500
Willard Drug Treatment Campus	State Drug Treatment Center	325
South Seneca Central School District	Public Education	171
Pine Tree Farms, Inc.	Agricultural	20
Community Bank, N.A.	Commercial Bank	10

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**Appendix C**

**Five Largest Taxpayers**

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
New York State Electric & Gas Corporation	Utility	\$9,131,870
People of the State of New York	Correctional Housing	4,436,923
Trumansburg Home Telephone	Utility	1,979,086
Wendell Weeks	Residence	1,913,846
Maguire LLC	Dealership	1,882,397

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 5.50% 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 Seneca and Schuyler Counties.

	<u>Year Average</u>				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Seneca County	8.1%	7.7%	7.8%	6.9%	N/A
Schuyler County	8.2	7.9	8.3	7.6	N/A
New York State	8.6	8.3	8.5	7.7	6.5%

**Enrollment**

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

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>Projected 2015-16</u>	<u>Projected 2016-17</u>
K-12	841	771	785	770	748	746	743

**District Employees**

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

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
78	South Seneca Teachers' Association	June 30, 2015
66	South Seneca Employees' Association	June 30, 2016
13	South Seneca Teacher Assistants' Association	June 30, 2017
4	South Seneca Teacher Administrators' Association	June 30, 2017

## DISTRICT INDEBTEDNESS

## Debt Limit

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

**Net Debt Contracting Margin<sup>(1)</sup>**  
**As of March 24, 2015**

Full Valuation of Taxable Real Property .....	\$485,762,334
Debt Limit (10% of Full Valuation) .....	48,576,233
Gross Indebtedness <sup>(2)</sup> .....	\$27,510,000
Less: Exclusions – Estimated Building Aid <sup>(3)</sup> .....	0
Total Net Indebtedness .....	<u>\$27,510,000</u>
Net Debt Contracting Margin .....	\$21,066,233
Percentage of Debt Contracting Power Exhausted .....	56.63%

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

(2) Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$13,915,000 School District Bonds to DASNY in connection with the refunding of \$14,090,000 of the District's outstanding serial bonds securing the Series 2008D Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

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

## Estimated Overlapping Indebtedness

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

<u>Unit</u>	<u>Outstanding Indebtedness<sup>(1)</sup></u>	<u>Exclusions<sup>(2)</sup></u>	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
<b>Counties of:</b>					
Seneca	\$13,810,000	\$0	\$13,810,000	26.10%	\$3,604,410
Schuyler	3,150,204	0	3,150,204	0.19	5,985
<b>Towns of:</b>					
Covert	0	0	0	62.27	0
Hector	2,435,938	0	2,435,938	0.61	14,859
Lodi	115,000	0	115,000	100.00	115,000
Ovid	0	0	0	100.00	0
Romulus	15,000	0	15,000	59.80	8,970
<b>Villages of:</b>					
Lodi	0	0	0	100.00	0
Ovid	877,127	0	877,127	100.00	877,127
Interlaken	33,261	0	33,261	100.00	33,261
				Total	<u>\$4,659,612</u>

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

(2) Information not available from source document.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2013.

**Appendix C**

**Debt Ratios**

The table below sets forth certain ratios relating to the District’s indebtedness as of March 24, 2015.

**Debt Ratios  
As of March 24, 2015<sup>(1)</sup>**

	<u>Amount</u>	<u>Per Capita<sup>(2)</sup></u>	<u>Percentage of Full Value<sup>(3)</sup></u>
Gross Indebtedness <sup>(4)</sup> .....	\$27,510,000	\$3,830.94	5.66%
Gross Indebtedness Plus Net Overlapping Indebtedness .....	32,169,612	4,479.82	6.62

- (1) The District has not incurred any indebtedness since the date of the above table.
- (2) Based on the District’s current estimated population of 7,181. (Source: 2013 U.S. Census Bureau Estimate)
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2014-15 of \$485,762,334.
- (4) The District expects to deliver \$13,915,000 School District Bonds to DASNY in connection with the refunding of \$14,090,000 of the District’s outstanding serial bonds securing the Series 2008D Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

**Cash Flow Borrowing**

The District issued \$3,000,000 of Revenue Anticipation Notes in the 2010-11 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. The District, historically, does not issue Tax Anticipation Notes.

**Capital Project Plans**

The District has a voter approved \$4,272,880 Capital Project that includes reconstruction of school buildings and facilities. The District also performs a \$100,000 capital outlay project which is funded each year through the annual budget.

**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 Seneca Central School District  
<http://emma.msrb.org/EA672977-EA526977-EA923197.pdf>  
Base CUSIP: 840197

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 collected by the School Tax Collector and are payable during the month of September without penalty. Taxes paid by the end of October are subject to a 2% penalty and a 3% penalty if paid by November 30. On December 1, a list of all unpaid taxes is given to the Counties for relevy on County 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.

<b>Valuations, Rates and Tax Levy</b>					
<b>Assessed Valuation</b>					
<b>Years Ending June 30,</b>					
	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
<b>Towns of:</b>					
Covert	\$88,784,417 <sup>(1)</sup>	\$103,761,989 <sup>(1)</sup>	\$104,325,481	\$105,028,878	\$104,986,039
Hector	1,909,348	1,987,600	2,178,450	2,187,200	2,366,700
Lodi	95,013,318 <sup>(1)</sup>	109,416,134 <sup>(1)</sup>	110,195,481	110,306,768	110,815,175
Ovid	122,837,055 <sup>(1)</sup>	143,437,590 <sup>(1)</sup>	144,461,788	145,213,730	145,684,259
Romulus	66,827,252 <sup>(1)</sup>	77,306,781 <sup>(1)</sup>	78,103,661	78,147,608	78,404,556
<b>Total Assessed Valuation</b>	<b><u>\$375,371,390</u></b>	<b><u>\$435,910,094</u></b>	<b><u>\$439,264,861</u></b>	<b><u>\$440,884,184</u></b>	<b><u>\$442,256,729</u></b>

<sup>(1)</sup> Difference due to town-wide revaluation.

<b>State Equalization Rates</b>					
<b>Years Ending June 30,</b>					
	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
<b>Towns of:</b>					
Covert	84.00%	100.00%	97.00%	95.00%	91.00%
Hector	100.00	100.00	100.00	100.00	100.00
Lodi	84.00	100.00	97.00	95.00	91.00
Ovid	84.00	100.00	97.00	95.00	91.00
Romulus	84.00	100.00	97.00	95.00	91.00
<b>Taxable Full Valuation</b>	<b>\$446,507,015</b>	<b>\$435,910,094</b>	<b>\$452,782,996</b>	<b>\$463,973,497</b>	<b>\$485,762,334</b>

<b>Total District Property Tax Collections</b>					
<b>Years Ending June 30,</b>					
	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
Total Tax Levy	\$6,662,101	\$6,897,443	\$7,091,561	\$7,347,517	\$7,566,301
% Uncollected When Due <sup>(1)</sup>	8.43%	8.02%	7.77%	10.36%	9.38%

<sup>(1)</sup> See "Real Estate Property Tax Collection Procedure."

**Appendix C**

**State Aid**

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

**State Aid and Revenues**

<u>Fiscal Year</u>	<u>Total State Aid<sup>(1)</sup></u>	<u>Total Revenues<sup>(1)</sup></u>	<u>Percentage of Total Revenues Consisting of State Aid<sup>(1)</sup></u>
2010-2011	\$15,009,118	\$22,463,359	66.82%
2011-2012	12,497,110	19,775,950	63.19
2012-2013	12,333,246	20,045,334	61.53
2013-2014	13,054,817	21,462,908	60.83
2014-2015 (Budgeted)	13,414,422	21,155,723	63.41
2015-2016 (Proposed)	13,814,432	22,853,688	60.45

<sup>(1)</sup> General Fund only.

**Pension Payments**

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

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2010-2011	\$225,956	\$408,039
2011-2012	332,359	538,880
2012-2013	357,629	645,001
2013-2014	318,093	646,129
2014-2015 (Budgeted)	383,988	1,065,485
2015-2016 (Proposed)	383,988	1,065,485

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

**GASB 45 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, 2012, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees’ service rendered to the measurement date, is \$2,146,323. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,146,323. For the fiscal year ending June 30, 2014, the District’s beginning year Net OPEB obligation was \$468,279. The District’s annual OPEB expense was \$220,944 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$168,606 to the Plan for the fiscal year ending June 30, 2014 to 159 employees, resulting in a net increase to its unfunded OPEB obligation of \$52,338, for a fiscal year ending June 30, 2014 total net unfunded OPEB obligation of \$520,617. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District’s June 30, 2014 financial statements. The District has reserved \$0 toward its OPEB liability. See also “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$898,331 in its General Fund for the fiscal year ended June 30, 2014, resulting in an unassigned General Fund balance of \$1,166,233 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

<b><u>Fiscal Year</u></b>	<b><u>Existing Debt Service*</u></b>	<b><u>New Debt Service</u></b>	<b><u>Total Debt Service</u></b>
2014-2015	\$5,065,876	\$348,128	\$5,414,003
2015-2016	4,453,238	702,600	5,155,838
2016-2017	3,706,163	702,300	4,408,463
2017-2018	2,031,750	701,900	2,733,650
2018-2019	-	2,721,500	2,721,500
2019-2020	-	2,725,000	2,725,000
2020-2021	-	2,728,250	2,728,250
2021-2022	-	2,726,000	2,726,000
2022-2023	-	2,723,250	2,723,250
2023-2024	-	2,724,750	2,724,750

\* Excludes debt service on refunded bonds.

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**APPENDIX C-8  
DESCRIPTION OF  
WYOMING CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-8 a brief description of the Wyoming 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 the first central school district in Wyoming County. It was formed in 1935 from rural schools. The District is situated approximately five miles north of the Village of Warsaw, within the Towns of Attica, Covington, Middlebury, Perry and Warsaw in Wyoming County, and the Town of Bethany in Genesee County. The District covers approximately 47 square miles.

The District is serviced primarily by Route 19 which runs north/south through the Village of Wyoming. Route 19 intersects State Route 63 to the north and Route 20A to the south, and intersects New York State Thruway I90 at the LeRoy exit.

The District is primarily a rural and agricultural area with residents commuting within Wyoming County or to nearby Buffalo or Rochester for employment. The Village of Wyoming has a small but thriving shopping area.

Public utilities serving the District include New York State Electric & Gas Corporation and Frontier Telephone of Rochester, Inc. Water services are provided by the Village of Wyoming. Police protection is provided by the Wyoming County Sheriff's Department and the New York State Police. The Town of Middlebury has an active fire and rescue volunteer organization.

The District provides public education for grades K-8. The District provides high school education for residents by entering into tuition contracts with four neighboring school districts. The tuition contract arrangement has been in place since the 1991-92 school year. High school age children have a choice of attending school in the Alexander, Attica, Pavilion or Warsaw Central School Districts.

**Population**

The current estimated population of the District is 1,730. (Source: 2013 U.S. Census Bureau estimate)

**Five Largest Employers**

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Wyoming Central School District	Education	47
Advanced Foam Products	Manufacturing	30
Synergy	Farming	24
Hi-Land	Farming	14
Barniak	Farming	12

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*Appendix C*

**Five Largest Taxpayers**

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Synergy	Farm/Digester	\$8,031,116 <sup>(1)</sup>
Tennessee Gas	Gas Pipeline	5,579,490
Texas Brine Corporation	Solution Mining	4,098,341
Occidental Chemical Corp	Solution Mining	4,017,470
Chamberlain	Farming	2,725,500

<sup>(1)</sup> Taxpayer has filed proceedings claiming the property should be exempt from the tax rolls. The proceedings are still in progress at this time.

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 30% of the tax base of the District.

**Unemployment Rate Statistics**

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

	<u>Year Average</u>				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Wyoming County	9.3%	8.5%	8.6%	7.8%	N/A
Genesee County	7.8	7.6	7.7	6.7	N/A
New York State	8.6	8.2	8.5	7.7	N/A

**Enrollment**

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

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>Projected 2015-16</u>	<u>Projected 2016-17</u>
K-12	167	147	146	128	126	118	115

**District Employees**

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

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
26	Wyoming Teachers’ Association	June 30, 2016
13	Wyoming Support Services Association	June 30, 2016

## 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 March 24, 2015<sup>(1)</sup>

Full Valuation of Taxable Real Property .....	\$112,498,635
Debt Limit (10% of Full Valuation) .....	11,249,863
Gross Indebtedness <sup>(2)</sup> .....	\$1,605,000
Less: Exclusions – Estimated Building Aid <sup>(3)</sup> .....	0
Total Net Indebtedness .....	\$1,605,000
Net Debt Contracting Margin .....	\$9,644,863
Percentage of Debt Contracting Power Exhausted .....	14.27%

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

<sup>(2)</sup> 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 \$1,535,000 School District Bonds to DASNY in connection with the refunding of \$1,385,000 of the District's outstanding serial bonds securing the Series 2008C Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

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

### Estimated Overlapping Indebtedness

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

<u>Unit</u>	<u>Outstanding Indebtedness<sup>(1)</sup></u>	<u>Exclusions<sup>(2)</sup></u>	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
<b>Counties of:</b>					
Wyoming	\$35,753,273	\$61,148	\$35,692,125	4.77%	\$1,702,514
Genesee	20,900,000	5,800,000	15,100,000	0.19	28,690
<b>Towns of:</b>					
Attica	0	0	0	2.21	0
Covington	0	0	0	12.87	0
Middlebury	0	0	0	87.75	0
Perry	191,100	191,100	0	1.28	0
Warsaw	880,443	880,443	0	2.77	0
Bethany	0	0	0	5.73	0
<b>Village of:</b>					
Wyoming	0	0	0	100.00	0
				Total	\$1,731,204

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

<sup>(2)</sup> Sewer and water debt.

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**Debt Ratios**

The table below sets forth certain ratios relating to the District’s indebtedness as of March 24, 2015.

**Debt Ratios  
As of March 24, 2015<sup>(1)</sup>**

	<u>Amount</u>	<u>Per Capita<sup>(2)</sup></u>	<u>Percentage of Full Value<sup>(3)</sup></u>
Gross Indebtedness <sup>(4)</sup> .....	\$1,605,000	\$927.75	1.43%
Gross Indebtedness Plus Net Overlapping Indebtedness .....	3,336,204	1,928.44	2.96

- (1) The District has not incurred any indebtedness since the date of the above table.
- (2) Based on the District’s current estimated population of 1,730.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2014-15 of \$112,498,635.
- (4) The District expects to deliver \$1,535,000 School District Bonds to DASNY in connection with the refunding of \$1,385,000 of the District’s outstanding serial bonds securing the Series 2008C Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

**Cash Flow Borrowing**

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

**Capital Project Plans**

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

**FINANCIAL FACTORS**

**General Information**

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

Wyoming Central School District  
<http://emma.msrb.org/ER827406-ER645237-ER1047139.pdf>  
Base CUSIP: 983403

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 derives its power to levy tax an ad valorem real property tax from the State Constitution; methods and procedures to levy, collect and enforce this tax are governed by the Real Property Tax Law. Real property assessment rolls used by the District are prepared by the various Town Assessors. Assessment valuations are determined by the Town Assessors and the State Board of Real Property Services which is responsible for certain utility and railroad property. In addition, the State Board of Real Property Services annually establishes State Equalization Rates for all localities in the State, which are determined by statistical sampling of market sales/assessment studies. The equalization rates are used in the calculation and distribution of certain State aids and are used by many localities in the calculation of debt contracting and real property taxing limitations. The District is not subject to constitutional real property taxing limitations.

### 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

	<b>Assessed Valuation Years Ending June 30,</b>				
	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
<b>Towns of:</b>					
Attica	\$3,870,024	\$3,875,997	\$3,886,204	\$3,889,154	\$4,114,313
Covington	8,258,905	9,937,993	16,628,224	16,500,509	16,735,282
Middlebury	71,907,537	75,671,872	76,955,364	76,674,214	76,786,364
Perry	2,338,016	2,368,373	2,567,521	2,604,303	2,604,643
Warsaw	6,535,780	6,740,695	6,767,450	6,812,145	6,862,279
Bethany	4,787,394	5,078,097	5,178,381	5,238,818	5,395,754
<b>Total Assessed Valuation</b>	<b><u>\$97,697,656</u></b>	<b><u>\$103,673,027</u></b>	<b><u>\$111,983,144</u></b>	<b><u>\$111,719,143</u></b>	<b><u>\$112,498,635</u></b>

	<b>State Equalization Rates Years Ending June 30,</b>				
	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
<b>Towns of:</b>					
Attica	100.00%	100.00%	100.00%	100.00%	100.00%
Covington	100.00	100.00	100.00	100.00	100.00
Middlebury	100.00	100.00	100.00	100.00	100.00
Perry	100.00	100.00	100.00	100.00	100.00
Warsaw	100.00	100.00	100.00	100.00	100.00
Bethany	100.00	100.00	100.00	100.00	100.00
<b>Taxable Full Valuation</b>	<b>\$97,697,656</b>	<b>\$103,673,027</b>	<b>\$111,983,144</b>	<b>\$111,719,143</b>	<b>\$112,498,635</b>

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

	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
Total Tax Levy	\$1,789,959	\$1,837,551	\$1,882,773	\$1,956,205	\$2,016,002
% Uncollected When Due <sup>(1)</sup>	4.65%	4.09%	9.44%	9.77%	8.92%

<sup>(1)</sup> See "Real Estate Property Tax Collection Procedure."

**Appendix C**

**State Aid**

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

**State Aid and Revenues**

<u>Fiscal Year</u>	<u>Total State Aid<sup>(1)</sup></u>	<u>Total Revenues<sup>(1)</sup></u>	<u>Percentage of Total Revenues Consisting of State Aid<sup>(1)</sup></u>
2010-2011	\$2,344,645	\$4,437,126	52.84%
2011-2012	2,238,276	4,269,472	52.43
2012-2013	2,347,807	4,922,972	47.69
2013-2014	2,346,075	4,446,241	52.77
2014-2015 (Budgeted)	2,389,325	4,671,327	51.15
2015-2016 (Proposed)	2,456,865	4,749,419	51.73

<sup>(1)</sup> General Fund only.

**Pension Payments**

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

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2010-2011	\$52,025	\$112,812
2011-2012	57,560	122,380
2012-2013	88,587	144,800
2013-2014	72,373	199,201
2014-2015 (Budgeted)	125,266	235,727
2015-2016 (Proposed)	113,108	224,358

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

**GASB 45 and OPEB**

The District contracted with Burke Group to calculate its “other post-employment benefits” (“OPEB”) plan (the “Plan”) in accordance with GASB 45. As of June 30, 2013, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees’ service rendered to the measurement date, is \$1,208,146. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,208,146. For the fiscal year ending June 30, 2014, the District’s beginning year Net OPEB obligation was \$321,539. The District’s annual OPEB expense was \$146,709 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$14,118 to the Plan for the fiscal year ending June 30, 2014 to 42 employees, resulting in a net increase to its unfunded OPEB obligation of \$132,591, for a fiscal year ending June 30, 2014 total net unfunded OPEB obligation of \$454,130. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District’s June 30, 2014 financial statements. The District has reserved \$0 toward its OPEB liability. See also “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$177,561 in its General Fund for the fiscal year ended June 30, 2014, resulting in an unassigned General Fund balance of \$202,122 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

<b>Fiscal Year</b>	<b>Existing Debt Service*</b>	<b>New Debt Service</b>	<b>Total Debt Service</b>
2014-2015	\$191,075	\$45,155	\$236,230
2015-2016	34,500	80,969	115,469
2016-2017	33,000	85,669	118,669
2017-2018	31,500	85,069	116,569
2018-2019	-	114,469	114,469
2019-2020	-	122,219	122,219
2020-2021	-	119,469	119,469
2021-2022	-	116,719	116,719
2022-2023	-	113,969	113,969
2023-2024	-	121,219	121,219
2024-2025	-	112,969	112,969
2025-2026	-	110,569	110,569
2026-2027	-	117,569	117,569
2027-2028	-	114,069	114,069
2028-2029	-	120,569	120,569
2029-2030	-	111,569	111,569
2030-2031	-	114,131	114,131
2031-2032	-	106,531	106,531
2032-2033	-	114,000	114,000
2033-2034	-	114,750	114,750
2034-2035	-	115,250	115,250
2035-2036	-	115,500	115,500
2036-2037	-	110,500	110,500
2037-2038	-	115,500	115,500

\* Excludes debt service on refunded bonds.

*Appendix C*

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**SUMMARY OF CERTAIN PROVISIONS  
OF THE FINANCING AGREEMENTS**



*Appendix D*

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## **SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENTS**

The following is a brief summary of certain provisions of the Financing Agreements (the “Agreements”) to be executed by each of the School Districts. Such summary does not purport to be complete and reference is made to the Agreements for full and complete statements of such provisions. Defined terms used in the Agreements have the meanings ascribed to them in Appendix A or in the body of this Official Statement.

### **Loan Clauses**

(A) **Loan Consummation.** Subject to the conditions and in accordance with the terms of the Agreement, DASNY agrees to make the Loan and the School District agrees to accept and repay the Loan in an aggregate principal amount of up to the Principal Amount at a net interest cost not to exceed the Maximum Rate. As evidence of the Loan made to the School District, the School District agrees to issue to or upon the order of DASNY, and to deliver to or upon the order of DASNY, the School District Bonds in an aggregate principal amount of up to the Principal Amount, bearing interest at rates not exceeding the Maximum Rate and expected to mature at the times and in the amounts set forth in the Agreement.

(B) **Payment to Trustee.** On the dates set forth in the Agreement, the School District will deposit or cause to be deposited with the Trustee the full amount of the payment due on the School District Bonds on such dates, respectively; provided, however that the School District agrees to pay the amount due on such initial payment date on or before the date of issuance of the DASNY Bonds or on such other date as may be set forth in the Agreement. Amounts so deposited by the School District prior to the payment date for the DASNY Bonds will be invested by the Trustee at the direction of DASNY. Investment earnings on such amounts will accrue to the benefit of the School District and will be paid to the School District at the direction of DASNY in accordance with the section of the Agreement described below under the heading “Application of Interest Earnings and Other Excess Amounts.”

(C) **Pledge and Assignment.** The School District assigns and pledges to DASNY a sufficient portion of any and all public funds to be apportioned or otherwise to be made payable by the State to the School District to cover the payments required by the Agreement and directs and acknowledges that such amounts will be paid directly to the Trustee as provided in the Act and the Memorandum of Understanding upon the occurrence of any Event of Default under the Agreement. Such assignment and pledge is irrevocable and will continue until the date on which the liabilities of DASNY and the School District with respect to the Project have been discharged and the School District’s Proportionate Share of the DASNY Bonds has been paid or otherwise discharged. The School District agrees that it will not create or suffer to be created any pledge or assignment of the public funds mentioned in the Agreement to be apportioned or otherwise payable by the State other than pledges or assignments to secure subsequent Series of DASNY Bonds or to secure bonds issued by any agency or instrumentality of the United States of America or the State of New York or any authority, agency or political subdivision thereof, or as otherwise consented to in writing by DASNY.

(Section 3.1)

### **Other Amounts Payable**

(A) The School District expressly agrees to pay to DASNY:

(i) Upon the issuance and sale of the DASNY Bonds, the initial financing fee, DASNY’s annual administrative fee and its Proportionate Share (or such other portion thereof as shall be agreed upon by the School District and DASNY) of the costs and expenses of DASNY in the preparation, sale and delivery of the DASNY Bonds and the refunding of the Prior DASNY Bonds, the preparation and delivery of any legal instruments, closing transcripts and documents necessary in connection therewith and with the Agreements and their filing and recording, if required, and all taxes and charges payable in connection with any of the foregoing, all as specified in the Notice of Terms. Such costs are payable from the sources identified in Exhibit C to the Agreement and in the amount specified in the Notice of Terms, subject to the limit set forth in the Agreement;

## *Appendix D*

(ii) Other Costs of Issuance payable to consultants and attorneys utilized by the School District in connection with the issuance of the School District Bonds as set forth in the Notice of Terms;

(iii) As such expenses are incurred, the amount of any DASNY expenses (including but not limited to investment losses and the reasonable fees and expenses of DASNY, the Trustee, the owners of DASNY Bonds, and attorneys representing any of the foregoing) incurred as a result of the School District's failure to make any payment on the School District Bonds when due or failure to otherwise comply with the terms of the Agreement or the School District Bonds; and

(iv) In the event that after the date set forth in the Agreement the School District does not proceed to the closing of the Loan, the fees of DASNY's bond counsel incurred with respect to the School District's Loan.

(B) Indemnification. To the extent permitted by law, the School District agrees to indemnify, defend and hold harmless DASNY and each member, officer and employee of DASNY against any and all liabilities, losses, costs, damages or claims, and will pay any and all judgments or expenses of any and all kinds or nature and however arising, imposed by law, including interest thereon, which it or any of them may sustain, be subject to or be caused to incur by reason of any claim, action, suit, charge or proceeding arising from or out of (1) the making of the Loan by DASNY to the School District, (2) any failure by the School District to deliver the School District Bonds to DASNY or (3) an allegation that an official statement, prospectus, placement memorandum or other offering document prepared in connection with the sale and issuance of the DASNY Bonds contained an untrue or misleading statement of a material fact obtained from the School District relating to the School District or the Project, or omitted to state a material fact relating to the School District or the Project necessary in order to make the statements made therein in light of the circumstances under which they were made not misleading; provided, however, that neither DASNY nor a member, officer or employee of DASNY will be released, indemnified or held harmless from any claim for damages, liability, loss, cost, damage, judgment or expense arising out of the gross negligence or willful misconduct of DASNY, such member, officer or employee.

DASNY agrees to give the School District prompt notice in writing of the assertion of any claim or the institution of each such suit, action or proceeding and to cooperate with the School District in the investigation of such claim and the defense, adjustment, settlement or compromise of any such action or proceeding. DASNY will not settle any such suit, action or proceeding without the prior written consent of counsel to the School District.

Except as provided in the following paragraph, the School District, at its own cost and expense, will defend any and all suits, actions or proceedings which may be brought or asserted against DASNY, its members, officers or employees for which the School District is required to indemnify DASNY or hold DASNY harmless, but this provision will not be deemed to relieve any insurance company which has issued a policy of insurance as may be provided for in the Agreement from its obligation to defend the School District, DASNY and any other insured named in such policy of insurance in connection with claims, suits or actions covered by such policy.

DASNY and each member, officer or employee thereof will, at the cost and expense of the School District, be entitled to employ separate counsel in any action or proceeding arising out of any alleged act or omission which occurred or is alleged to have occurred while the member, officer or employee was acting within the scope of his or her employment or duties in connection with the issuance of the DASNY Bonds or the refinancing or use of the Project, and to conduct the defense thereof, in which (i) the counsel to the School District determines, based on his or her investigation and review of the facts and circumstances of the case, that the interests of such person and the interests of the School District are in conflict, or in the event such counsel determines that no conflict exists, a court of competent jurisdiction subsequently determines that such person is entitled to employ separate counsel, or (ii) such person may have an available defense which cannot as a matter of law be asserted on behalf of such person by the School District or by counsel employed by it, or (iii) such person may be subject to criminal liability, penalty or forfeiture, or (iv) the School District has consented to the employment of separate counsel or the counsel retained by the School District pursuant to the Agreement is not reasonably acceptable to DASNY; provided, however, that the School District will not be liable for attorneys' fees of separate counsel so retained or any other expenses incurred in connection with the defense of an action or proceeding described in clause (iii) of this paragraph, unless the member, officer or employee has prevailed on the merits or such action or proceeding was dismissed or withdrawn, or an adverse judgment was reversed upon appeal, and such action or proceeding may not be recommenced. Attorney's

fees of separate counsel retained in accordance with this paragraph will be paid only upon the audit of an appropriate School District officer.

(Section 3.2)

#### **Application of Loan Proceeds and Unspent Proceeds**

(A) To the extent the proceeds of the Loan are to be used to pay costs of issuance of DASNY Bonds or School District Bonds or any amounts payable to DASNY under the Agreement, the portion of the proceeds to be so used will be held on deposit with the Escrow Holder for the account of the School District. Amounts so deposited will be invested and disbursed in accordance with the Master Resolution and the Series Resolution.

(B) To the extent the proceeds of the Loan are to be used to refinance the Refunded Obligations, DASNY will direct the Trustee to pay the Refunded Obligations or to deposit the portion of the proceeds to be so used with an Escrow Holder from which disbursements shall be made in accordance with the Escrow Agreement. Amounts in such account will be held uninvested or invested as directed by DASNY in Government Obligations. Earnings, if any, on such amounts will be credited against amounts due from the School District pursuant to the Agreement. The School District covenants and agrees to pay directly to the Escrow Holder the amount, if any, set forth in Exhibit B to the Agreement as to the portion of the Refunded Obligations to be refunded with funds other than the proceeds of DASNY Bonds.

(Section 3.4)

#### **Effective Date and Term**

The date of the Agreement is for reference purposes only and the Agreement will become effective upon the date of execution and delivery of the Agreement, will remain in full force and effect from such date and will expire on such date as all DASNY Bonds are discharged and satisfied in accordance with the provisions thereof and all obligations of the School District to DASNY are satisfied.

(Section 3.5)

#### **Trustee; Investment of Loan Proceeds and School District Bond Prepayments**

The School District authorizes the Trustee to invest, in accordance with instructions of DASNY, amounts that are held by the Trustee for the account of the School District in accordance with the provisions of the Master Resolution and the Escrow Agreement. The School District acknowledges that DASNY and the Trustee will not be liable or responsible for any loss, direct or indirect, resulting from any investment authorized by the Master Resolution, the Escrow Agreement and the Agreement or from the redemption, sale or maturity of any such investment as therein authorized or from any depreciation in value of any such investment.

(Section 3.7)

#### **Authorization to Acquire Investments**

The School District authorizes DASNY to acquire the investments, if any, required by the Agreement, including forward purchase contracts.

(Section 3.9)

#### **Application of Interest Earnings and Other Excess Amounts**

DASNY agrees that it will cause to be deposited in the Debt Service Fund the interest earned and paid on the investment of moneys in the Debt Service Fund. Pursuant to the Master Resolution, DASNY agrees that, so long as no event of default has occurred under the Agreement, DASNY will pay to the School District annually the

## ***Appendix D***

School District's Proportionate Share (as determined by DASNY) of excess amounts in the Debt Service Fund described in the Master Resolution.

(Section 3.10)

### **Compliance with Laws and Agreements**

(A) Compliance. The School District agrees that the Project will at all times during the term of any Loan be in compliance with applicable federal and State laws and regulations. The School District will at all times construct and operate (or cause to be constructed and operated) the Project, in compliance with all applicable federal, State and local laws, ordinances, rules, regulations (including approvals of the State Education Department) and the Agreement, and with all other applicable laws and regulations to the extent necessary to ensure the availability of the Project for its intended purposes and to ensure the safety of the public.

(B) SEQRA. The School District certifies with respect to the Project that it has complied, and agrees to continue to comply, with all requirements of the State Environmental Quality Review Act.

(Section 4.1)

### **No Warranty Regarding Condition, Suitability or Cost of Project**

DASNY makes no warranty, either express or implied, as to the Project or its condition or that it is suitable for the School District's purposes or needs. Nothing in the Agreement will relieve the School District of its responsibility to properly plan, design, build and effectively operate and maintain the Project as required by laws, regulations, permits and good management practices. The School District acknowledges and agrees that DASNY or its representatives are not responsible for increased costs resulting from defects in the plans, design drawings and specifications or other Project documents.

(Section 4.2)

### **Completion of Project**

The Project has been completed.

(Section 4.3)

### **Application of Loan Proceeds**

The School District will apply the proceeds of the Loan solely as provided in the Agreement.

(Section 5.1)

### **Tax Covenant**

The School District covenants that it will not take any action or inaction, nor fail to take any action or permit any action to be taken, with respect to the Project or the portion of the proceeds of the DASNY Bonds made available to it as part of the Loan including amounts treated as proceeds of the DASNY Bonds for any purpose of Section 103 of the Code, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the DASNY Bonds under Section 103 of the Code. This provision will control in case of conflict or ambiguity with any other provision of the Agreement. Without limiting the generality of the foregoing, the School District covenants that it will comply with the instructions and requirements of the Arbitrage and Use of Proceeds Certificate, which is fully incorporated into the Agreement. The School District covenants that it will not take any action or inaction, nor fail to take any action or permit any action to be taken, if any such action or inaction, which, assuming the School District Bonds were issued as bonds the interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Code, would cause the School District Bonds to be "private activity bonds," "private loan bonds," "arbitrage bonds" or "prohibited

advance refunding bonds” within the meaning of Sections 141, 148 or 149 of the Code. The School District (or any related party within the meaning of Treasury Regulation Section 1.150-1(b)) will not, pursuant to an arrangement, formal or informal, purchase DASNY Bonds in an amount related to the amount of any obligation to be acquired from the School District by DASNY. The School District will, on a timely basis, provide DASNY with all necessary information and funds to the extent required to enable DASNY to comply with the arbitrage and rebate requirements of the Code.

(Section 5.2)

#### **Covenant as to Restrictions on Religious Use**

The School District agrees that with respect to the Project or any portion thereof, so long as the Project or portion thereof exists and unless and until the Project or portion thereof is sold for the fair market value thereof, the Project or, any portion thereof will not be used for sectarian religious instruction or as a place of religious worship or in connection with any part of a program of a school or department of divinity for any religious denomination; provided, however, that the foregoing restriction will not prohibit the free exercise of any religion and will not restrict or inhibit compliance with the Equal Access Act, 20 U.S.C. Sections 4071-4074; and, further provided, however, that if at any time after the date of the Agreement, in the opinion of Bond Counsel, the then applicable law would permit the Project or a portion thereof to be used without regard to the above stated restriction, said restriction will not apply to the Project or any portion thereof. DASNY and its agents may conduct such inspections as DASNY deems necessary to determine whether the Project or any portion of real property thereof refinanced by the DASNY Bonds is being used for any purpose proscribed under the Agreement. The School District further agrees that prior to any disposition of any portion of the Project for less than fair market value, it will execute and record in the appropriate real property records an instrument subjecting, to the satisfaction of DASNY, the use of such portion of the Project to the restriction that (i) so long as such portion of the Project (and, if included in the Project, the real property on or in which such portion of the Project is situated) will exist and (ii) until such portion of the Project is sold or otherwise transferred to a person who purchases the same for the fair market value thereof at the time of such sale or transfer, such portion of the Project will not be used for sectarian religious instruction or as a place of religious worship or used in connection with any part of the program of a school or department of divinity of any religious denomination. The instrument containing such restriction will further provide that such restriction may be enforced at the instance of DASNY or the Attorney General of the State, by a proceeding in any court of competent jurisdiction, by injunction, mandamus or by other appropriate remedy. The instrument containing such restriction will also provide that if at any time thereafter, in the opinion of Bond Counsel, the then applicable law would permit such portion of the Project, or, if included in the Project, the real property on or in which such portion is situated, to be used without regard to the above stated restriction, then said restriction will be without any force or effect. For the purposes of the Agreement an involuntary transfer or disposition of the Project or a portion thereof, upon foreclosure or otherwise, will be considered a sale for the fair market value thereof.

(Section 5.3)

#### **Payment of School District Bonds**

The School District covenants and agrees that it will duly and punctually pay or cause to be paid the principal installments or redemption price of its School District Bonds and the interest thereon, at the dates and places and in the manner stated in such School District Bonds and in accordance with the section of the Agreement described above under the heading “Loan Clauses” and that such obligation will not be subject to any defense (other than payment) or any rights of setoff, recoupment, abatement, counterclaim or deduction and will be without any rights of suspension, deferment, diminution or reduction it might otherwise have against DASNY, the Trustee or the owner of any DASNY Bond.

(Section 5.4)

## ***Appendix D***

### **Actions Regarding State Aid**

The School District covenants and agrees that it will submit to the State all documentation required by the State as a condition to the payment of any State aid in sufficient time to permit such aid to be paid on its scheduled payment date.

(Section 5.5)

### **Defaults**

An “event of default” or a “default” under the Agreement means any one or more of the following events: (a) Failure by the School District to pay or cause to be paid when due the amounts to be paid under the School District Bonds; (b) Failure by the School District to pay or to cause to be paid when due any other payment required to be made under the Agreement which failure continues for a period of thirty (30) days after payment thereof was due, provided that written notice thereof has been given to the School District not less than thirty (30) days prior to the due date thereof; (c) Failure by the School District to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subparagraphs (a) and (b) of this paragraph, which failure continues for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the School District by DASNY or such longer period, as is required to cure such default, if by reason of the nature of such failure the same cannot be remedied within such thirty (30) day period and the School District has within such thirty (30) day period commenced to take appropriate actions to remedy such failure and is diligently pursuing such actions; (d) Any representation or warranty of the School District contained in the Agreement shall have been at the time it was made untrue in any material respect; or (e) The School District generally does not pay its debts as such debts become due, or admits in writing its inability to pay its debts generally, or makes a general assignment for the benefit of creditors; or any proceeding is instituted by or against the School District seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it for any substantial part of its property; or the School District authorizes any of the actions set forth above in this subparagraph (e).

(Section 6.1)

### **Remedies**

Whenever any event of default referred to in the Agreement and described under the heading “Defaults” shall have happened and is continuing, DASNY may take whatever action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the School District, including requiring payment to the Trustee of any public funds otherwise payable to the School District by the State of New York as provided in the Memorandum of Understanding, the exercise of any remedy authorized by Article VIII of the State Constitution with respect to obtaining payment on the School District Bonds and any other administrative enforcement action and actions for breach of contract.

(Section 7.1)

### **No Remedy Exclusive**

No remedy is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and in addition to every other remedy given under the Agreement or now or after the date of the Agreement existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power or will be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle DASNY to exercise any remedy reserved to it, it will not be necessary to give any notice, other than such notice as may be expressly required by the Agreement.

(Section 7.2)

**Waiver and Non-Waiver**

In the event any agreement is breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach under the Agreement. No delay or omission by DASNY to exercise any right or power accruing upon default will impair any right or power or will be construed to be a waiver of any such default or acquiescence therein.

(Section 7.3)

**Amendments, Supplements and Modifications**

The Agreement may not be amended, supplemented or modified except by a written instrument executed by DASNY and the School District and, if such amendment occurs after the issuance of the DASNY Bonds, upon compliance with the provisions of the Master Resolution.

(Section 8.4)

**Further Assurances; Disclosure of Financial Information, Operating Data and Other Information**

(A) The School District will, at the request of DASNY, authorize, execute, acknowledge and deliver such further resolutions, conveyances, transfers, assurances, financing statements and other instruments as may be deemed necessary or desirable by DASNY, in its sole discretion, for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by the Agreement and the School District Bonds. The School District also agrees to furnish to DASNY such additional information concerning the financial condition of the School District as DASNY may from time to time reasonably request.

(B) Without limiting the generality of the foregoing, the School District agrees to comply with the terms of the Continuing Disclosure Agreement.

(C) If and so long as the offering of the DASNY Bonds continues (a) the School District will furnish such information with respect to itself as the Underwriters of the DASNY Bonds may from time to time reasonably request and (b) if any event relating to the School District occurs as a result of which it is necessary, in the opinion of Bond Counsel to DASNY, General Counsel of DASNY or counsel for such Underwriters, to amend or supplement the Official Statement of DASNY used in connection with the offering of the DASNY Bonds in order to make such information not misleading in light of the circumstances then existing, the School District will forthwith prepare and furnish to DASNY and the Underwriters such information relating to the School District as may be necessary to permit the preparation of an amendment of or supplement to such Official Statement (in form and substance satisfactory to the Bond Counsel to DASNY and counsel for the Underwriters) which will amend or supplement such Official Statement so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make statements therein, in light of the circumstances then existing, not misleading. Unless the School District has been notified to the contrary in writing by DASNY or the Underwriters, the School District is entitled to presume that the offering by DASNY and that its obligations under this paragraph have ceased twenty-five (25) days after the date of delivery of the DASNY Bonds.

(Section 8.9)



*Appendix D*

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**SUMMARY OF CERTAIN PROVISIONS  
OF THE MASTER RESOLUTION**

*Appendix E*

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## **SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION**

The following is a brief summary of certain provisions of the Master Resolution. Such summary does not purport to be complete and reference is made to the Master Resolution for full and complete statements of such provisions. Defined terms used in the Master Resolution have the meanings ascribed to them in Appendix A or in the body of this Official Statement.

### **Master Resolution and Bonds Constitute Separate Contracts**

With respect to each Applicable Series of Bonds, in consideration of the purchase and acceptance of any and all of the Bonds of an Applicable Series authorized to be issued under the Master Resolution and under the Applicable Series Resolution by those who hold or own the same from time to time, the Master Resolution and the Applicable Series Resolution are deemed to be and constitute a contract among DASNY, the Trustee and the Holders from time to time of such Bonds, and the pledge and assignment made in the Master Resolution and the covenants and agreements set forth to be performed by or on behalf of DASNY are for the equal and ratable benefit, protection and security of the Holders of any and all of such Bonds of an Applicable Series, all of which, regardless of the time or times of their issue or maturity, are of equal rank without preference, priority or distinction of any such Bonds of such Series over any other Bonds except as expressly provided or permitted by the Master Resolution or by the Applicable Series Resolution.

(Section 1.03)

### **Authorization of Each Series of Bonds**

Each Series of Bonds is issued pursuant to the Master Resolution, the applicable Series Resolution and the Act.

The Bonds of DASNY will not be a debt of the State, nor will the State be liable thereon, nor will the Bonds be payable out of any funds other than those of DASNY pledged by the Master Resolution to the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Bonds.

(Section 2.01)

### **Additional Bonds and Other Obligations**

DASNY reserves the right to issue bonds, notes or any other obligations or otherwise incur indebtedness pursuant to other and separate resolutions or agreements of DASNY, so long as such bonds, notes or other obligations are not, or such other indebtedness is not, except as provided in the Master Resolution, entitled to a charge or lien or right prior or equal to the charge or lien created by the Master Resolution, or prior or equal to the rights of DASNY and Holders of Bonds or with respect to the moneys pledged pursuant to the Master Resolution or pursuant to an Applicable Series Resolution.

(Section 2.05)

### **Authorization of Redemption**

Bonds subject to redemption prior to maturity will be redeemable at such times, at such Redemption Prices and upon such terms as may be specified in the Master Resolution or in the Applicable Series Resolution authorizing their issuance or the Applicable Bond Series Certificate.

(Section 4.01)

## ***Appendix E***

### **Redemption at Election or Direction of DASNY**

The Series, maturities and principal amounts of the Bonds to be redeemed at the election or direction of DASNY will be determined by DASNY in its sole discretion, subject to any limitations with respect thereto contained in the Master Resolution or in the Series Resolution authorizing such Series or the Applicable Bond Series Certificate.

(Section 4.02)

### **Selection of Bonds to Be Redeemed**

Unless otherwise provided in the Series Resolution authorizing the issuance of Bonds of a Series or the Bond Series Certificate relating to such Bonds, in the event of redemption of less than all of the Outstanding Bonds of like Series, maturity and tenor, the Trustee will assign to each Outstanding Bond of the Series, maturity and tenor to be redeemed a distinctive number for each unit of the principal amount of such Bond equal to the lowest denomination in which the Bonds of such Series are authorized to be issued and will select by lot, using such method of selection as it will deem proper in its discretion, from the numbers assigned to such Bonds as many numbers as, at such unit amount equal to the lowest denomination in which the Bonds of such Series are authorized to be issued for each number, will equal the principal amount of such Bonds to be redeemed. In making such selections the Trustee may draw the Bonds by lot (i) individually or (ii) by one or more groups, the grouping for the purpose of such drawing to be by serial numbers (or, in the case of Bonds of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued, by the numbers assigned thereto as provided in the Master Resolution) which end in the same digit or in the same two digits. In the case, upon any drawing by groups, the total principal amount of Bonds drawn will exceed the amount to be redeemed, the excess may be deducted from any group or groups so drawn in such manner as the Trustee may determine. The Trustee may in its discretion assign numbers to aliquot portions of Bonds and select part of any Bond for redemption. The Bonds to be redeemed will be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Bond of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued will be redeemed as will equal the lowest denomination in which the Bonds of such Series are authorized to be issued for each number assigned to it and so selected.

(Section 4.04)

### **Notice of Redemption**

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

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

If directed in writing by any Authorized Officer of DASNY, the Trustee will also give such notice by publication thereof once in an Authorized Newspaper, such publication to be not less than thirty (30) days nor more than sixty (60) days prior to the redemption date; provided, however, that such publication shall not be a condition

precedent to such redemption, and failure to so publish any such notice or a defect in such notice or in the publication thereof shall not affect the validity of the proceedings for the redemption of the Bonds.

The Trustee will (i) if any of the Bonds to be redeemed are Book Entry Bonds, mail a copy of the notice of redemption to the Depository for such Book Entry Bonds not less than thirty-five (35) days prior to the redemption, but, if notice of redemption is to be published as described in the preceding paragraph, in no event later than five (5) Business Days prior to the date of publication, and (ii) mail a copy of the notice of redemption to Kenny Information Systems Notification Service and to Standard & Poor's Called Bond Record, in each case at the most recent address therefor, or to any successor thereof.

(Section 4.05)

### **Payment of Redeemed Bonds**

If, on the redemption date, moneys for the redemption of all Bonds or portions thereof of any like Series, maturity and tenor to be redeemed, together with interest accrued and unpaid thereon to the redemption date, are held by the Trustee and Paying Agent so as to be available therefor on such date and if notice of redemption has been mailed as stated in the Master Resolution, then, from and after the redemption date, interest on the Bonds or portions thereof so called for redemption will cease to accrue and such Bonds will no longer be considered to be Outstanding under the Master Resolution. If such moneys are not so available on the redemption date, such Bonds or portions thereof will continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

(Section 4.06)

### **Pledge of Revenues**

The proceeds from the sale of the Bonds, the Applicable Revenues, DASNY's security interest in the Applicable Pledged Revenues, and all funds established by the Master Resolution, other than the Applicable Arbitrage Rebate Fund, are pledged and assigned to the Trustee as security for the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Bonds and as security for the performance of any other obligation of DASNY under the Master Resolution and under any Series Resolution, all in accordance with the provisions of the Master Resolution and such Series Resolution. The pledge of the Revenues relates only to the Bonds of an Applicable Series authorized by such Series Resolution and no other Series of Bonds and such pledge will not secure any such other Series of Bonds. The pledge is valid, binding and perfected from the time when the pledge attaches and the proceeds from the sale of the Bonds, the Applicable Revenues, DASNY's security interest in the Applicable Pledged Revenues and the funds and accounts established by the Master Resolution and by the Applicable Series Resolution will immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge will be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against DASNY irrespective of whether such parties have notice thereof. No instrument by which such pledge is created nor any financing statement need be recorded or filed. The Bonds are special obligations of DASNY payable solely from and secured by a pledge of the proceeds from the sale of the Bonds, the Applicable Revenues, DASNY's security interest in the Applicable Pledged Revenues and the funds and accounts established by the Master Resolution, which are pledged by the Master Resolution as provided in the Master Resolution, which pledge will constitute a first lien thereon. Notwithstanding the foregoing, interest earnings on the Debt Service Fund held by the Trustee and properly allocable to one School District may not be used to make up a deficiency caused by the failure of another School District to pay its Basic Debt Service Payment.

(Section 5.01)

### **Establishment of Funds**

Unless otherwise provided by the Applicable Series Resolution, the following funds are authorized to be established, held and maintained for each Applicable Series by the Trustee under the Applicable Series Resolution separate from any other funds established and maintained pursuant to any other Series Resolution:

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Construction Fund;  
Debt Service Fund; and  
Arbitrage Rebate Fund.

Accounts and sub-accounts within each of the foregoing funds may from time to time be established in accordance with an Applicable Series Resolution, an Applicable Bond Series Certificate or upon the direction of DASNY. All moneys at any time deposited in any fund created by the Master Resolution, other than the Applicable Arbitrage Rebate Fund, will be held in trust for the benefit of the Holders of the Applicable Series of Bonds, but will nevertheless be disbursed, allocated and applied solely in connection with Applicable Series of Bonds for the uses and purposes provided in the Master Resolution.

(Section 5.02)

### **Application of Bond Proceeds**

Upon the receipt of proceeds from the sale of a Series of Bonds, DASNY will apply such proceeds as specified in the Master Resolution and in the Series Resolution authorizing such Series or in the Bond Series Certificate relating to such Series.

Accrued interest, if any, received upon the delivery of a Series of Bonds will be deposited in the Debt Service Fund unless all or any portion of such amount is to be otherwise applied as specified in the Series Resolution authorizing such Series or the Bond Series Certificate relating to such Series.

(Section 5.03)

### **Application of Moneys in the Construction Fund**

A separate Construction Fund is established by each Series Resolution and separate Construction Accounts are established therein with respect to each School District for whose benefit such Series of Bonds is issued. As soon as practicable after the delivery of each Series of Bonds, there will be deposited in the Applicable Construction Account the amount required to be deposited therein pursuant to the Series Resolution authorizing such Series or the Bond Series Certificate relating to such Series. In addition, DASNY will deposit in the Applicable Construction Account any moneys paid to DASNY for the acquisition, construction, reconstruction, rehabilitation or improvement of any Project, including without limitation, the equity contribution, if any, provided by a School District. Moneys deposited in the Applicable Construction Account will be used only to pay the School District's allocable portion of the Costs of Issuance of the Bonds and the Costs of the Applicable Project.

(Section 5.04)

### **Deposit and Allocation of Revenues**

Except as provided in the Applicable Series Resolution or Bond Series Certificate, the Applicable Revenues and any other moneys which, by any of the provisions of the Applicable Agreement, are required to be deposited in the Applicable Debt Service Fund, will upon receipt by the Trustee be deposited to the credit of the appropriate account in the Applicable Debt Service Fund. To the extent not required to pay, (a) the School District's Allocable Portion of the interest becoming due on Outstanding Bonds of the Applicable Series on the next succeeding Interest Payment Date of such Bonds; (b) the School District's Allocable Portion of the amount necessary to pay the principal and Sinking Fund Installments becoming due on the Applicable Series of Outstanding Bonds; and (c) moneys which are required or have been set aside for the redemption of Bonds of the Applicable Series, moneys in the Applicable Debt Service Fund will be paid by the Trustee on or before the business day preceding each Interest Payment Date to DASNY, unless otherwise paid, such amounts as are payable to DASNY relating to such Series for: (i) any expenditures of DASNY for fees and expenses of auditing, and fees and expenses of the Applicable Trustee and Paying Agents, all as required by the Master Resolution, (ii) all other expenditures reasonably and necessarily incurred by DASNY in connection with the financing of the Applicable Project, including expenses incurred by DASNY to compel full and punctual performance of all the provisions of the Applicable Agreement in accordance with the terms thereof, and (iii) any fees of DASNY; but only upon receipt by the Trustee of a certificate of DASNY, stating in reasonable detail the amounts payable to DASNY.

After making the payments required by the preceding paragraph, any balance remaining on the immediately succeeding Interest Payment Date will be paid by the Trustee upon and in accordance with the direction of DASNY to each of the respective Applicable School Districts in the respective amounts set forth in such direction, free and clear of any pledge, lien, encumbrance or security interest created by the Master Resolution or by any of the Agreements.

(Section 5.05)

### **Debt Service Fund**

Except as provided in the Applicable Series Resolution or Bond Series Certificate, the Trustee will on or before the Business Day preceding each Interest Payment Date pay to itself and any other Paying Agent out of the Applicable Debt Service Fund:

(a) the School District's Allocable Portion of the interest due and payable on all Outstanding Bonds of the Applicable Series on such Interest Payment Date;

(b) the School District's Allocable Portion of the principal amount due and payable on all Outstanding Bonds of the Applicable Series on such Interest Payment Date; and

(c) the School District's Allocable Portion of the Sinking Fund Installments or other amounts related to a mandatory redemption, if any, due and payable on all Outstanding Bonds of the Applicable Series on such Interest Payment Date.

The amounts paid out pursuant to (a), (b) and (c) above are irrevocably pledged to and applied to such payments.

Notwithstanding the above, DASNY may, at any time subsequent to the first day of any Bond Year but in no event less than forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with moneys on deposit in the Applicable Debt Service Fund, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Term Bonds to be redeemed from such Sinking Fund Installment.

Moneys in the Applicable Debt Service Fund in excess of the amount required to pay the principal and Sinking Fund Installments of Outstanding Bonds of the Applicable Series payable during the next succeeding Bond Year, the interest on Outstanding Bonds of the Applicable Series payable on and prior to the next succeeding Interest Payment Date, and the purchase price or Redemption Price of Outstanding Bonds theretofore contracted to be purchased or called for redemption, plus accrued interest thereon to the date of purchase or redemption, will be paid or applied by the Trustee in accordance with the direction of an Authorized Officer of DASNY (i) to the purchase of Outstanding Bonds of the Applicable Series at purchase prices not exceeding the Redemption Price applicable on the next Interest Payment Date on which such Bonds are redeemable, plus accrued and unpaid interest to such date, at such times, at such purchase prices and in such manner as an Authorized Officer of DASNY will direct or (ii) to the redemption of Bonds of the Applicable Series as provided in the Master Resolution, at the Redemption Prices specified in the Applicable Series Resolution or Applicable Bond Series Certificate.

(Section 5.07)

### **Arbitrage Rebate Fund**

The Arbitrage Rebate Fund will be maintained by the Trustee as a fund separate from any other fund established and maintained under the Master Resolution. The Trustee will deposit to the Applicable Arbitrage Rebate Fund any moneys delivered to it by the Applicable School Districts for deposit therein and, notwithstanding any other provisions of the Master Resolution, will transfer to the Arbitrage Rebate Fund, in accordance with the directions of an Authorized Officer of DASNY, moneys on deposit in any other funds held by the Trustee under the Master Resolution at such times and in such amounts as will be set forth in such directions. Within the Arbitrage Rebate Fund, the Trustee will maintain such accounts as are required by DASNY in order to comply with the terms and requirements of the Tax Certificate. All money at any time deposited in the Arbitrage Rebate Fund will be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate),



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for payment to the Treasury Department of the United States of America, and DASNY or the owner of any Bonds will not have any rights in or claim to such money. The Trustee will be deemed conclusively to have complied with the provisions of the Master Resolution concerning the Arbitrage Rebate Fund and with such provisions of the Tax Certificate if it follows the directions of an Authorized Officer of DASNY including supplying all necessary written information in the manner provided in the Tax Certificate and has no liability or responsibility for compliance (except as specifically set forth in the Master Resolution or in the Tax Certificate) or to enforce compliance by DASNY with the terms of the Tax Certificate.

Upon the written direction of DASNY, the Trustee will deposit in the Arbitrage Rebate Fund funds received from DASNY, so that the balance of the amount on deposit thereto will be equal to the Rebate Requirement. Computations of the Rebate Requirement will be furnished by or on behalf of DASNY in accordance with the Tax Certificate.

The Trustee has no obligation to rebate any amounts required to be rebated pursuant to the Master Resolution, other than from moneys held in the funds and accounts created under the Master Resolution or from other moneys provided to it by DASNY.

The Trustee will invest all amounts held in the Arbitrage Rebate Fund as provided in written directions of DASNY. DASNY, in issuing such directions, will comply with the restrictions and instructions set forth in the Tax Certificate. Moneys may only be applied from the Arbitrage Rebate Fund as provided under the Master Resolution.

The Trustee, upon the receipt of written instructions and certification of the Rebate Requirement from an Authorized Officer of DASNY, will pay the amount of such Rebate Requirement to the Treasury Department of the United States of America, out of amounts in the Arbitrage Rebate Fund, as so directed.

Notwithstanding any other provisions of the Master Resolution, including in particular the section of the Master Resolution described under the heading "Tax Covenant," the obligation to remit the Rebate Requirement to the United States of America and to comply with all other requirements of the Master Resolution concerning the Arbitrage Rebate Funds, the section of the Master Resolution described under the heading "Tax Covenant" and the Tax Certificate will survive the defeasance or payment in full of the Bonds.

(Section 5.09)

### **Application of Moneys in Certain Funds for Retirement of Bonds**

Notwithstanding any other provisions of the Master Resolution, if at any time the amounts held in the Applicable Debt Service Fund are sufficient to pay the principal or Redemption Price of all Outstanding Bonds of the Applicable and the interest accrued and unpaid and to accrue on such Bonds to the next date of redemption when all such Bonds are redeemable, or to make provision pursuant to the section of the Master Resolution described below under the heading "Defeasance" for the payment of the Outstanding Bonds at the maturity or redemption dates thereof, DASNY may (i) direct the Trustee to redeem all such Outstanding Bonds, whereupon the Trustee will proceed to redeem or provide for the redemption of such Outstanding Bonds in the manner provided for redemption of such Bonds by the Master Resolution and by each Applicable Series Resolution as provided in the Master Resolution, or (ii) give the Trustee irrevocable instructions and make provision for the payment of the Outstanding Bonds at the maturity or redemption dates thereof in accordance with the Master Resolution.

(Section 5.10)

### **Transfer of Investments**

Whenever moneys in any fund or account established under an Applicable Series Resolution are to be paid in accordance with the Master Resolution to another such fund or account, such payment may be made, in whole or in part, by transferring to such other fund or account investments held as part of the fund or account from which such payment is to be made, whose value, together with the moneys, if any, to be transferred, is at least equal to the amount of the payment then to be made; provided, however, that no such transfer of investments would result in a violation of any investment standard or guideline applicable to such fund.

(Section 5.11)

## **Security for Deposits**

All moneys held under the Master Resolution by the Trustee will be continuously and fully secured, for the benefit of DASNY and the Holders of the Applicable Series of Bonds, by direct obligations of the United States of America or obligations the principal of and interest on which are guaranteed by the United States of America of a market value equal at all times to the amount of the deposit so held by the Trustee; provided, however, (a) that if the securing of such moneys is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds, and (b) that it will not be necessary for the Trustee or any Paying Agent to give security for the deposit of any moneys with them pursuant to the sections of the Master Resolution described under the headings “Debt Service Fund” and “Defeasance,” and held in trust for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on any Bonds, or for the Trustee to give security for any moneys which will be represented by obligations purchased or other investments made under the provisions of the Master Resolution as an investment of such moneys.

(Section 6.01)

## **Investment of Funds and Accounts**

Moneys held under the Master Resolution by the Trustee, if permitted by law, will, as nearly as may be practicable, be invested by the Trustee, upon direction of DASNY given or confirmed in writing, signed by an Authorized Officer of DASNY (which direction will specify the amount to be invested) in Government Obligations, Federal Agency Obligations, Exempt Obligations, and, if not inconsistent with the investment guidelines of a Facility Provider or a Rating Agency applicable to funds held under the Master Resolution, any other Permitted Investment; provided, however, that each such investment will permit the moneys so deposited or invested to be available for use at the times at which DASNY reasonably believes such moneys will be required for the purposes of the Master Resolution; provided, further, that (x) any Permitted Collateral required to secure any Permitted Investment has a market value, determined by the Trustee or its agent periodically, but no less frequently than weekly, at least equal to the amount deposited or invested including interest accrued thereon, (y) the Permitted Collateral will be deposited with and held by the Trustee or an agent of the Trustee approved by an Authorized Officer of DASNY, and (z) the Permitted Collateral will be free and clear of claims of any other person.

Permitted Investments purchased as an investment of moneys in any fund or account held by the Trustee under the provisions of the Master Resolution will be deemed at all times to be a part of such fund or account and the income or interest earned, profits realized or losses suffered by a fund or account due to the investment thereof will be retained in, credited or charged, as the case may be, to such fund or account.

In computing the amount in any fund or account held by the Trustee under the provisions of the Master Resolution, each Permitted Investment will be valued at par or the market value thereof, plus accrued interest, whichever is lower.

(Section 6.02)

## **Payment of Principal and Interest**

DASNY covenants to pay or cause to be paid the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on every Bond of each Series on the date and at the places and in the manner provided in the Bonds according to the true intent and meaning thereof.

(Section 7.01)

## **Accounts and Audits**

DASNY covenants to keep proper books of records and accounts (separate from all other records and accounts), which may be kept on behalf of DASNY by the Trustee, in which complete and correct entries will be made of its transactions relating to each Series of Bonds, which books and accounts, at reasonable hours and subject to the reasonable rules and regulations of DASNY, will be subject to the inspection of the Trustee, the Applicable

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School Districts or of any Holder of a Bond or his representative duly authorized in writing. The Trustee will annually prepare a report which will be furnished to DASNY, each Facility Provider, each Credit Facility Issuer and the Applicable School Districts. Such report will include at least: a statement of all funds and accounts (including investments thereof) held by such Trustee and DASNY pursuant to the provisions of the Master Resolution and of each Applicable Series Resolution; a statement of the Applicable Revenues collected from each Applicable School District in connection with the Master Resolution and with each Applicable Series Resolution; and complete and correct entries of all transactions relating to an Applicable Series of Bonds. A copy of such report, will, upon receipt of a written request therefor, and payment of any reasonable fee or charge made in connection therewith, be furnished to the registered owner of a Bond of the Applicable Series or any beneficial owner of a Book Entry Bond of the Applicable Series requesting the same.

(Section 7.05)

### **Creation of Liens**

DASNY covenants not to create or cause to be created any lien or charge prior or equal to that of the Bonds of an Applicable Series on the proceeds from the sale of the Bonds, the Applicable Revenues, the Applicable Pledged Revenues or the funds and accounts established by the Master Resolution or by any Applicable Series Resolution which are pledged by the Master Resolution; provided, however, that nothing contained in the Master Resolution will prevent DASNY from issuing bonds, notes or other obligations under another and separate resolution so long as the charge or lien created by such resolution is not prior or equal to the charge or lien created by the Master Resolution; and provided further, that if DASNY has issued more than one Series of Bonds for the benefit of a School District and the public funds pledged under the Applicable Agreements are insufficient to pay in full all Basic Debt Service Payments then due under all of the Agreements to which such School District is a party, then as provided in the Memorandum of Understanding the Comptroller will pay a proportionate share of such available public funds to each Applicable Trustee.

(Section 7.06)

### **Enforcement of Obligations of the School Districts**

Pursuant to the Applicable Agreement and the Applicable School District Bonds, DASNY covenants to take all legally available action to cause a School District to perform fully its obligation to pay Basic Debt Service Payment and other amounts which under the Applicable Agreement are to be paid to the Trustee, in the manner and at the times provided in the Applicable Agreement provided, however, that DASNY may delay, defer or waive enforcement of one or more provisions of said Agreement (other than provisions requiring the payment of monies to the Trustee for deposit to any fund or account established under the Master Resolution) if DASNY determines such delay, deferment or waiver will not materially adversely affect the interests of the Holders of the Bonds of a Series.

(Section 7.07)

### **Offices for Payment and Registration of Bonds**

DASNY will at all times maintain an office or agency in the State where Bonds may be presented for payment. DASNY may, pursuant to a Supplemental Resolution or a Series Resolution or pursuant to a resolution adopted in accordance with the Master Resolution, designate an additional Paying Agent or Paying Agents where Bonds of the Series authorized thereby or referred to therein may be presented for payment. DASNY will at all times maintain an office or agency in the State where Bonds may be presented for registration, transfer or exchange and the Trustee is appointed by the Master Resolution as its agent to maintain such office or agency for the registration, transfer or exchange of Bonds.

(Section 7.09)

### **Amendment, Change, Modification or Waiver of Agreement**

An Applicable Agreement (and the related Applicable School District Bonds) may not be amended, changed, modified, altered or terminated so as to materially adversely affect the interest of the Holders of the

Outstanding Bonds of the Applicable Series without the prior written consent of the Holders of at least a majority in aggregate principal amount of such Bonds then Outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any Applicable Series remain Outstanding, the consent of the Holders of such Bonds will not be required and such Bonds will not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds of the Applicable Series under the Master Resolution; provided, further, that no such amendment, change, modification, alteration or termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds of such Series the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any payment required to be made by the School District under the Applicable Agreement that is to be deposited with the Trustee or extend the time of payment thereof. Except as otherwise provided in the Master Resolution, an Agreement may be amended, changed, modified or altered without the consent of the Holders of Outstanding Bonds of the Applicable Series or the Applicable Trustee. Specifically, and without limiting the generality of the foregoing, an Agreement may be amended, changed, modified or altered without the consent of the Trustee and the Holders of Outstanding Bonds of such Series (i) to provide changes in connection with the acquisition, construction, reconstruction, rehabilitation, renovation and improvement or otherwise, the providing, furnishing and equipping of any facilities constituting a part of the Applicable Project or which may be added to such Project; (ii) to provide for the issuance of Bonds of an Applicable Series; or (iii) to cure any ambiguity or correct or supplement any provisions contained in the Applicable Agreement, which may be defective or inconsistent with any other provisions contained in the Master Resolution or in such Agreement.

An Applicable Series will be deemed to be adversely affected by an amendment, change, modification or alteration of the Agreement if the same adversely affects or diminishes the rights of the Holders of the Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, Bonds of an Applicable Series would be adversely effected in any material respect by any amendment, change, modification or alteration, and any such determination will be binding and conclusive on DASNY and all Holders of such Bonds.

The purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase from DASNY, may consent to an amendment, change, modification, termination or waiver permitted by the Master Resolution with the same effect as a consent given by the Holder of such Bonds.

(Section 7.10)

#### **Notice as to Agreement Default**

DASNY covenants to notify the Trustee in writing that an “event of default” under the Applicable Agreement, as such term is defined in the Applicable Agreement (including the failure to pay the Applicable School District Bonds), has occurred and is continuing, or that which notice is required to be given within five (5) days after DASNY has obtained actual knowledge thereof.

(Section 7.11)

#### **Basic Debt Service Payment**

The Applicable Agreement will provide for the payment of Basic Debt Service Payment which will be sufficient at all times to pay the School District’s Allocable Portion of the principal and Sinking Fund Installments of and interest on Outstanding Bonds of the Applicable Series as the same become due and payable.

(Section 7.12)

#### **Tax Covenant**

Unless otherwise provided in a Series Resolution, DASNY covenants that it shall not take any action or inaction, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds under Section 103 of the Code. Without

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limiting the generality of the foregoing, DASNY covenants that it will comply with the instructions and requirements of the Tax Certificate. This covenant shall survive payment in full or defeasance of the Bonds.

(Section 7.14)

### **Modification and Amendment without Consent of Holders**

DASNY may adopt at any time or from time to time Supplemental Resolutions for any one or more of the following purposes, and any such Supplemental Resolution will become effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of DASNY:

(a) To add additional covenants and agreements of DASNY for the purpose of further securing the payment of the Bonds of an Applicable Series, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of DASNY contained in the Master Resolution;

(b) To prescribe further limitations and restrictions upon the issuance of Bonds of an Applicable Series and the incurring of indebtedness by DASNY which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

(c) To surrender any right, power or privilege reserved to or conferred upon DASNY by the terms of the Master Resolution, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of DASNY contained in the Master Resolution;

(d) To confirm, as further assurance, any pledge under the Master Resolution or under the Applicable Series Resolution, and the subjection to any lien, claim or pledge created or to be created by the provisions of the Master Resolution, of the Applicable Revenues, or any pledge of any other moneys, investments thereof or funds;

(e) To modify any of the provisions of the Master Resolution or of any previously adopted Series Resolution or Supplemental Resolution in any other respects, provided that such modifications will not be effective until after all Bonds of an Applicable Series of Bonds Outstanding as of the date of adoption of such Supplemental Resolution will cease to be Outstanding, and all Bonds of an Applicable Series issued under an Applicable Series Resolution will contain a specific reference to the modifications contained in such subsequent resolutions; or

(f) With the consent of the Trustee, to cure any ambiguity or defect or inconsistent provision in the Master Resolution or to insert such provisions clarifying matters or questions arising under the Master Resolution as are necessary or desirable, provided that any such modifications are not contrary to or inconsistent with the Master Resolution, as theretofore in effect, or to modify any of the provisions of the Master Resolution or of any previously adopted Applicable Series Resolution or Supplemental Resolution in any other respect, provided that such modification will not adversely affect the interests of the Bondholders of the Applicable Series in any material respect.

(Section 9.02)

### **Supplemental Resolutions Effective with Consent of Bondholders**

The provisions of the Master Resolution may also be modified or amended at any time or from time to time by a Supplemental Resolution, subject to the consent of the Bondholders in accordance with and subject to the provisions of the Master Resolution, such Supplemental Resolution to become effective upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of DASNY.

(Section 9.03)

### **General Provisions Relating to Series Resolutions and Supplemental Resolutions**

The Master Resolution will not be modified or amended in any respect except in accordance with and subject to the provisions of the Master Resolution. Nothing contained in the Master Resolution will affect or limit

the rights or obligations of DASNY to adopt, make, do, execute or deliver any resolution, act or other instrument pursuant to the provisions of the Master Resolution or the right or obligation of DASNY to execute and deliver to the Trustee or any Paying Agent any instrument elsewhere in the Master Resolution provided or permitted to be delivered to the Trustee or any Paying Agent.

A copy of every Series Resolution and Supplemental Resolution adopted by DASNY, when filed with the Trustee, will be accompanied by an opinion of Bond Counsel stating that such Series Resolution or Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Master Resolution, is authorized or permitted by the Master Resolution and is valid and binding upon DASNY and enforceable in accordance with its terms.

The Trustee is authorized to accept delivery of a certified copy of any Series Resolution or Supplemental Resolution permitted or authorized pursuant to the provisions of the Master Resolution and to make all further agreements and stipulations which may be contained therein, and, in taking such action, the Trustee will be fully protected in relying on the opinion of Bond Counsel that such Series Resolution or Supplemental Resolution is authorized or permitted by the provisions of the Master Resolution.

No Series Resolution or Supplemental Resolution changing, amending or modifying any of the rights or obligations of the Trustee or of any Paying Agent will become effective without the written consent of the Trustee or Paying Agent affected thereby.

(Section 9.04)

#### **Powers of Amendment**

Any modification or amendment of the Master Resolution and of the rights and obligations of DASNY and of the Holders of the Bonds under the Master Resolution, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in the section of the Master Resolution described below under the heading “Consent of Bondholders,” (i) of the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, or (ii) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least a majority in principal amount of the Bonds of the particular Series, maturity and interest rate entitled to such Sinking Fund Installment, Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series, maturity and tenor remain Outstanding, the consent of the Holders of such Bonds will not be required and such Bonds will not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds described under this heading. No such modification or amendment will permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or will reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment.

(Section 10.01)

#### **Consent of Bondholders**

DASNY may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of the Master Resolution to take effect when and as provided in the Master Resolution. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Bondholders for their consent thereto in form satisfactory to the Trustee, will promptly after adoption be mailed by DASNY to the Bondholders (but failure to mail such copy and request to any particular Bondholder will not affect the validity of the Supplemental Resolution when consented to as provided in the Master Resolution). Such Supplemental Resolution will not be effective unless and until (i) there has been filed with the Trustee (a) the written consent of the Holders of the percentages of Outstanding Bonds specified in the section of the Master Resolution described above under the heading “Powers of Amendment” and (b) an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by DASNY in accordance with the provisions of the Master Resolution, is authorized or permitted by the Master Resolution, and is valid and binding upon DASNY and enforceable in accordance with its terms, and (ii) a notice has been mailed as provided in

## ***Appendix E***

the Master Resolution. Each such consent will be effective only if accompanied by proof of the holding or owning at the date of such consent, of the Bonds with respect to which such consent is given, which proof will be such as is permitted by the Master Resolution. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with the Master Resolution will be conclusive proof that the consents have been given by the Holders of the Bonds described in the certificate or certificates of the Trustee. Any consent given by a Bondholder will be binding upon the Bondholder giving such consent and, anything in the Master Resolution to the contrary notwithstanding, upon any subsequent Holder of such Bond and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Bondholder giving such consent or a subsequent Holder thereof by filing such revocation with the Trustee, prior to the time when the written statement of the Trustee is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds have filed their consents to the Supplemental Resolution, the Trustee will make and file with DASNY and the Trustee a written statement that such Holders of such required percentages of Bonds have filed such consents. Such written statement will be conclusive that such consents have been so filed. At any time thereafter a notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by DASNY on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this paragraph, will be given to the Bondholders by DASNY by mailing such notice to the Bondholders and, at the discretion of DASNY, by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of Bonds have filed their consents to the Supplemental Resolution and the written statement of the Trustee provided for above is filed (but failure to publish such notice will not prevent such Supplemental Resolution from becoming effective and binding as in this paragraph provided). DASNY will file with the Trustee proof of the mailing of such notice, and, if the same has been published, of the publication thereof.

For the purposes of the Master Resolution, the purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase from DASNY, may consent to a modification or amendment permitted by the sections of the Master Resolution described herein the headings “Powers of Amendment” or “Modifications by Unanimous Consent” in the manner provided in the Master Resolution, except that no proof of ownership will be required, and with the same effect as a consent given by the Holder of such Bonds; provided, however, that, if such consent is given by a purchaser who is purchasing as an underwriter or for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto will be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the primary offering of the Bonds of such Series by DASNY.

(Section 10.02)

### **Modifications by Unanimous Consent**

The terms and provisions of the Master Resolution and the rights and obligations of DASNY and of the Holders of the Bonds may be modified or amended in any respect upon the adoption and filing with the Trustee by DASNY of a copy of a Supplemental Resolution certified by an Authorized Officer of DASNY and the consent of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in the section of the Master Resolution described above under the heading “Consent of Bondholders,” except that no notice to the Bondholders either by mailing or publication will be required.

(Section 10.03)

### **Consent of Facility Provider**

Whenever by the terms of the Master Resolution the consent of any of the Holders of the Bonds to a modification or amendment of the Master Resolution made by a Series Resolution or Supplemental Resolution is required, such modification or amendment will not become effective until the written consent of each Facility Provider has been obtained; provided, however, that the consent of a Facility Provider which has provided a Credit Facility will not be required unless the modification or amendment requires the consent of the Holders of any percentage in principal amount of Outstanding Bonds or of the Holders of any percentage in principal amount of the Bonds of the Series in connection with which such Credit Facility was provided. No modification or amendment of the Master Resolution which adversely affects a Facility Provider will be made without the written consent thereto

of the Facility Provider affected thereby. Notice of the adoption of any such Series Resolution or Supplemental Resolution and of the effectiveness of the modification or amendment made thereby will be given to each Facility Provider by mail at the times and in the manner provided in the Master Resolution with respect to notices thereof required to be given to the Holders of the Bonds. Notice thereof will also be given to each Rating Agency as soon as practical after adoption of such Supplemental Resolution and of the effectiveness thereof.

(Section 10.04)

### **Events of Default**

Events of default under the Master Resolution include: failure by DASNY to pay the principal, Sinking Fund Installments or Redemption Price of any Bond when the same will become due and payable; failure by DASNY to pay an installment of interest on any Bond when the same will become due and payable; DASNY defaults in the due and punctual performance of the tax covenants contained in the Series Resolution and, as a result thereof, the interest on the Bonds of a Series is no longer excludable from gross income under Section 103 of the Code (a “Taxability Default”); and default by DASNY in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Master Resolution or in the Bonds or in any Series Resolution on the part of DASNY to be performed and such default continues for thirty (30) days after written notice specifying such default and requiring same to be remedied has been given to DASNY by the Trustee, which may give such notice in its discretion and must give such notice at the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds, unless, if such default is not capable of being cured within thirty (30) days, DASNY has commenced to cure such default within said thirty (30) days and diligently prosecutes the cure thereof.

(Section 11.02)

### **Enforcement of Remedies**

Upon the happening and continuance of any Event of Default specified in the section of the Master Resolution described above under the heading “Events of Default,” then and in every such case, the Trustee may proceed, and upon the written request of the Applicable Facility Provider or the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Applicable Series will proceed (in each case with the consent of the Facility Provider for such Series) or, in the case of a happening and continuance of a Taxability Default, upon the written request of the Applicable Facility Provider or the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected thereby with the consent of the Facility Provider for such Series, will proceed (upon receiving compensation, expenses and indemnity to its satisfaction), to protect and enforce its rights and the rights of the Bondholders or of such Facility Provider under the Master Resolution or under any Series Resolution or under the laws of the State by such suits, actions or special proceedings in equity or at law, as the Trustee deems most effectual to protect and enforce such rights.

(Section 11.04)

### **Limitation of Rights of Individual Bondholders**

No Holder of any of the Bonds has any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Master Resolution, or for any other remedy under the Master Resolution unless such Holder previously has given to the Trustee written notice of the event of default on account of which such suit, action or proceeding is to be instituted, and unless also the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds or, in the case of a Taxability Default, the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected thereby, have made written request to the Trustee after the right to exercise such powers or right of action, as the case may be, has accrued, and have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by the Master Resolution or to institute such action, suit or proceeding in its or their name, and unless, also, there has been offered to the Trustee reasonable security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee has refused or neglected to comply with such request within a reasonable time.

(Section 11.08)



## *Appendix E*

### **Defeasance**

If DASNY pays or causes to be paid to the Holders of Bonds of an Applicable Series the principal, Sinking Fund Installments, if any, or Redemption Price of and interest thereon, at the times and in the manner stipulated therein, in the Master Resolution, and in the Applicable Series Resolution and Bond Series Certificate, then the pledge of the Revenues or other moneys and securities pledged to such Bonds and all other rights granted by the Master Resolution to such Holders of Bonds will be discharged and satisfied.

Notwithstanding any provision of the Master Resolution to the contrary, if any School District prepays the amounts due under its Agreement and in accordance therewith pays or causes to be paid its Allocable Portion of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest on the Bonds or portions thereof applicable to such Agreement at the times and in the manner stipulated therein, in the Master Resolution, and in the Applicable Series Resolution and the Applicable Bond Series Certificate, then the pledge of the Revenues or other moneys and securities pledged with respect to such Agreement or any portion thereof and all other rights granted under such Agreement will be discharged and satisfied. In such event, the Trustee will, upon the request of DASNY, execute and deliver such documents to evidence such discharge and satisfaction as may be reasonably required by the School District, and DASNY, and all moneys or other securities held by it pursuant to the Master Resolution and to a Series Resolution which are not required for the payment or redemption of its Allocable Portion of the Bonds of such Series to be defeased or any portion thereof not theretofore surrendered for such payment or redemption will be paid or delivered by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of DASNY; second, to DASNY the amount certified by DASNY to be then due or past due pursuant to the Applicable Agreement to be prepaid for fees and expenses of DASNY or pursuant to any indemnity; and, then, the balance thereof to the School District. Such moneys or investments so paid or delivered will be released from any trust, pledge, lien, encumbrance or security interest created by the Master Resolution, by a Series Resolution or by such Agreement.

Bonds for the payment or redemption of which moneys have been set aside and are held in trust by the Trustee (through deposit of moneys for such payment or redemption or otherwise) at the maturity or redemption date thereof will be deemed to have been paid within the meaning and with the effect expressed in the paragraph above. All Outstanding Bonds of any Series or any maturity within a Series or a portion of a maturity within a Series will prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect described in the paragraph above if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, DASNY has given to the Trustee, in form satisfactory to it, irrevocable instructions to give as provided in the Master Resolution notice of redemption on said date of such Bonds, (b) there has been deposited with the Trustee either moneys in an amount which will be sufficient, or Defeasance Securities the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, will be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (c) the Trustee has received the written consent of each Facility Provider which has given written notice to the Trustee and DASNY that amounts advanced under a Credit Facility or Liquidity Facility issued by it or the interest thereon have not been repaid to such Facility Provider, and (d) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, DASNY has given the Trustee, in form satisfactory to it, irrevocable instructions to give, as soon as practicable, by first class mail, postage prepaid, to the Holders of said Bonds at their last known addresses appearing on the registration books, a notice to the Holders of such Bonds that the deposit required by (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the provisions of the Master Resolution described in this paragraph and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds. DASNY will give written notice to the Trustee of its selection of the Series and maturity payment of which will be made in accordance with the provisions of the Master Resolution described in this paragraph. The Trustee will select the Bonds of like Series and maturity payment of which will be made in accordance with the Master Resolution. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to the provisions of the Master Resolution described in this paragraph nor principal or interest payments on any such Defeasance Securities will be withdrawn or used for any purpose other than, and will be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds; provided, however, that any moneys received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, must, to the extent practicable, be reinvested in Defeasance Securities

maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be.

(Section 12.01)

**No Recourse under Master Resolution or on the Bonds**

All covenants, stipulations, promises, agreements and obligations of DASNY contained in the Master Resolution will be deemed to be the covenants, stipulations, promises, agreements and obligations of DASNY and not of any member, officer or employee of DASNY in his individual capacity, and no recourse will be had for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on the Bonds or for any claims based thereon, on the Master Resolution or on a Series Resolution against any member, officer or employee of DASNY or any person executing the Bonds, all such liability, if any, being expressly waived and released by every Holder of Bonds by the acceptance of the Bonds.

(Section 14.04)

**Certain Provisions Relating to Capital Appreciation Bonds and Deferred Income Bonds**

For the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity or (ii) computing the principal amount of Bonds held by the Holder of a Capital Appreciation Bond in giving to DASNY, the School District or the Trustee any notice, consent, request, or demand pursuant to the Master Resolution for any purpose whatsoever, the then current Accreted Value of such Bond will be deemed to be its principal amount. Notwithstanding any other provision of the Master Resolution, the amount payable at any time with respect to the principal of and interest on any Capital Appreciation Bond will not exceed the Accreted Value thereof at such time. For purposes of receiving payment of the Redemption Price or principal of a Capital Appreciation Bond called for redemption prior to maturity, the difference between the Accreted Value of such Bond when the Redemption Price or principal thereof is due upon such redemption or declaration and the principal of such Bond on the date the Bonds of the Series of which it is a part were first issued will be deemed not to be accrued and unpaid interest thereon.

For the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed, or (ii) computing the principal amount of Bonds held by the Holder of a Deferred Income Bond in giving to DASNY or the Trustee any notice, consent, request, or demand pursuant to the Master Resolution for any purpose whatsoever, the then current Appreciated Value of such Bond will be deemed to be its principal amount. Notwithstanding any other provision of the Master Resolution, the amount payable at any time prior to the Interest Commencement Date with respect to the principal of and interest on any Deferred Income Bond will not exceed the Appreciated Value thereof at such time. For purposes of receiving payment prior to the Interest Commencement Date of the Redemption Price or principal of a Deferred Income Bond called for redemption prior to maturity, the difference between the Appreciated Value of such Bond when the Redemption Price or principal thereof is due upon such redemption or declaration and the principal of such Bond on the date the Bonds were first issued will be deemed not to be accrued and unpaid interest thereon.

(Section 14.07)

*Appendix E*

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**FORM OF APPROVING OPINIONS  
OF CO-BOND COUNSEL**

*Appendix F*

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**Form of Approving Opinions of Squire Patton Boggs (US) LLP and  
D. Seaton and Associates, Co-Bond Counsel**

April 29, 2015

Dormitory Authority of the  
State of New York  
515 Broadway  
Albany, New York 12207

Ladies and Gentlemen:

We have served as bond counsel to our client the Dormitory Authority of the State of New York (“DASNY”) and not as counsel to any other person in connection with the issuance by DASNY of its \$104,215,000 aggregate principal amount of School Districts Revenue Bond Financing Program Revenue Bonds, Series 2015 (the “Bonds”).

The Bonds are issued under and pursuant to the Dormitory Authority Act being Title 4 of Article 8 of the Public Authorities Law of the State of New York, as amended to the date hereof (the “Act”) and DASNY’s Master School Districts Revenue Bond Financing Program Revenue Bond Resolution adopted May 29, 2002, as amended and supplemented (the “Master Resolution”), and DASNY’s Series Resolutions, adopted April 9, 2014, authorizing the various Series of Bonds (individually, the “Series 2015A Resolution,” the “Series 2015B Resolution,” the “Series 2015C Resolution,” and, together, the “Series 2015 Resolutions;” the Master Resolution and the Series 2015 Resolutions are collectively referred to as the “Resolution”). The Bonds are being issued for the purposes set forth in the Resolution. Capitalized terms used and not otherwise defined herein have the respective meanings given to them in the Resolution.

With respect to the Series 2015A Bonds, DASNY has entered into a Financing Agreement, dated as of March 1, 2015 (the “Series 2015A Financing Agreements”), with each of the School Districts identified on Schedule A hereto (the “Series 2015A School Districts”), providing, among other things, for a loan to the Series 2015A School Districts for the purposes permitted thereby and by the Master Resolution and the Series 2015A Resolution.

With respect to the Series 2015B Bonds, DASNY has entered into a Financing Agreement, dated as of March 1, 2015 (the “Series 2015B Financing Agreements”), with each of the School Districts identified on Schedule A hereto (the “Series 2015B School Districts”), providing, among other things, for a loan to the Series 2015B School Districts for the purposes permitted thereby and by the Master Resolution and the Series 2015B Resolution.

With respect to the Series 2015C Bonds, DASNY has entered into a Financing Agreement, dated as of March 1, 2015 (the “Series 2015C Financing Agreement,” together with the Series 2015A Financing Agreements and the Series 2015B Financing Agreements, the “Financing Agreements”), with the School District identified on Schedule A hereto (the “Series 2015C School District,” together with the Series 2015A School Districts and the Series 2015B School Districts, the “School Districts”), providing, among other things, for a loan to the Series 2015C School District for the purposes permitted thereby and by the Master Resolution and the Series 2015C Resolution.

Pursuant to each Series 2015A Financing Agreement, each Series 2015A 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 2015A Bonds as the same become due, which payments have been pledged by DASNY to the Trustee for the benefit of the holders of the Series 2015A Bonds.

Pursuant to each Series 2015B Financing Agreement, each Series 2015B 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 2015B Bonds as the same become due, which payments have been pledged by DASNY to the Trustee for the benefit of the holders of the Series 2015B Bonds.

Pursuant to the Series 2015C Financing Agreement, the Series 2015C School District is required to make payments scheduled to be sufficient to pay the principal, sinking fund installments and redemption price of and

## *Appendix F*

interest on the Series 2015C Bonds as the same become due, which payments have been pledged by DASNY to the Trustee for the benefit of the holders of the Series 2015C Bonds.

In connection with the foregoing, we have reviewed the Resolution, the Financing Agreements, the Tax Certificates of DASNY dated as of the date hereof, the Arbitrage and Use of Proceeds Certificates of the School Districts dated as of the date hereof, the bonds of the School Districts delivered to DASNY to secure the obligations of the applicable School District under the applicable Financing Agreement, opinions of counsel to DASNY, the Trustee, and the School Districts, opinions of bond counsel to the School Districts, certificates of DASNY, 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.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The Resolution has been duly and lawfully adopted by DASNY.
2. The Resolution and the Financing Agreements are valid and binding obligations of DASNY, enforceable in accordance with their respective terms.
3. The Bonds are legal, valid and binding special obligations of DASNY payable as provided in the Resolution, are enforceable in accordance with their terms and the terms of the Resolution and are entitled to the equal benefits of the Resolution and the Act. The Bonds do not represent or constitute a general obligation or a pledge of the faith and credit of DASNY or the State of New York.
4. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, portions of the interest on the Bonds earned by certain corporations may be subject to a corporate alternative minimum tax. Interest on the Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. We express no opinion as to any other tax consequences regarding the Bonds.

We are further of the opinion that the difference between the principal amount of (1) the Series 2015A Bonds maturing on October 1, 2033, and October 1, 2034, (2) the Series 2015B Bonds maturing on October 1, 2030 through October 1, 2032, and (3) the Series 2015C Bonds maturing on October 1, 2022 through October 1, 2024 (collectively, the "Discount Bonds") and the initial offering price to the public (excluding bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of such Discount Bonds of the same maturity was sold constitutes original issue discount ("OID"). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excluded from the owner's gross income for federal income tax purposes to the same extent and subject to the same considerations discussed above, as other interest on the Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond. A purchaser of a Discount Bond at its issue price in the initial public offering who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond.

Initial purchasers of (1) the Series 2015A Bonds maturing semiannually on October 1, 2015 through October 1, 2032, (2) the Series 2015B Bonds maturing semiannually on October 1, 2015 through October 1, 2025, and maturing annually on October 1, 2026 through October 1, 2029, October 1, 2033 through October 1, 2035, and October 1, 2039, and (3) the Series 2015C Bonds maturing on October 1, 2015 through October 1, 2021, whose initial adjusted basis in such Bonds exceeds the respective principal amount of such Bonds (collectively, the "Premium Bonds") will have bond premium to the extent of that excess. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield must be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For

purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined, (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than DASNY, and (iii) the correctness of the legal conclusions contained in the legal opinion letters of counsel to the School Districts delivered in connection with this matter.

In rendering those opinions with respect to treatment of the interest on the Bonds under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of DASNY and the School Districts. Failure to comply with certain of those covenants subsequent to issuance of the Bonds may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance.

We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the Bonds, the Resolution or the Financing Agreements.

The opinions contained in paragraphs 1, 2 and 3 above are qualified to the extent that the enforceability of the Resolution, the Bonds and the Financing Agreements may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally or as to the availability of any particular remedy.

In connection with the delivery of this opinion, we are not passing upon the authorization, execution and delivery of the Financing Agreements by the School Districts. We have assumed the due authorization, execution and delivery of the Financing Agreements by the School Districts.

The opinions rendered in this letter are stated only as of this date, and no other opinion shall be implied or inferred as a result of anything contained in or omitted from this letter. Our engagement as bond counsel with respect to the Bonds has concluded on this date.

Very truly yours,



*Appendix F*

**Schedule A**

2015A School Districts	Cobleskill-Richmondville Central School District City School District of the City of Peekskill South Seneca Central School District
2015B School Districts	Enlarged City School District of the City of Gloversville Mount Markham Central School District Phoenix Central School District Wyoming Central School District
2015C School District	Chenango Forks Central School District

**BONDS TO BE REFUNDED**

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**BONDS TO BE REFUNDED**

DASNY expects to redeem the Series 2006A Bonds set forth below on October 1, 2016 (the “2006A Redemption Date”) by applying a portion of the proceeds of the Series 2015A Bonds, together with other funds available to DASNY, to provide for the payment of the principal of and interest on the Series 2006A Bonds to the 2006A Redemption Date. The refunding is contingent upon the delivery of the Series 2015A Bonds. The Series 2006A Bonds will be redeemed at par.

**Series 2006A Bonds to be Refunded**

<u>Maturity Date</u>	<u>Coupon</u>	<u>Refunded Par Amount</u>
October 1, 2017	5.000%	\$1,290,000
October 1, 2018	5.000	1,360,000
October 1, 2019	4.000	1,420,000
October 1, 2022	5.000	1,105,000
October 1, 2023	5.000	1,160,000
October 1, 2024	5.000	1,220,000
October 1, 2025	5.000	1,285,000
October 1, 2026	5.000	1,350,000
October 1, 2021	4.750	2,060,000
October 1, 2029	5.000	4,480,000
October 1, 2034	4.500	9,015,000

DASNY expects to redeem the Series 2007A Bonds set forth below on October 1, 2017 (the “2007A Redemption Date”) by applying a portion of the proceeds of the Series 2015B Bonds, together with other funds available to DASNY, to provide for the payment of the principal of and interest on the Series 2007A Bonds to the 2007A Redemption Date. The refunding is contingent upon the delivery of the Series 2015B Bonds. The Series 2007A Bonds will be redeemed at par.

**Series 2007A Bonds to be Refunded**

<u>Maturity Date</u>	<u>Coupon</u>	<u>Refunded Par Amount</u>
October 1, 2018	5.000%	\$2,380,000
October 1, 2019	5.000	2,495,000
October 1, 2020	5.000	2,625,000
October 1, 2021	5.000	2,750,000
October 1, 2022	4.500	290,000
October 1, 2023	4.500	305,000
October 1, 2024	4.500	315,000
October 1, 2025	4.500	335,000
October 1, 2026	4.500	345,000
October 1, 2027	4.500	365,000
October 1, 2035	5.000	3,605,000

## Appendix G

DASNY expects to redeem the Series 2007B Bonds set forth below on October 1, 2017 (the “2007B Redemption Date”) by applying a portion of the proceeds of the Series 2015B Bonds, together with other funds available to DASNY, to provide for the payment of the principal of and interest on the Series 2007B Bonds to the 2007B Redemption Date. The refunding is contingent upon the delivery of the Series 2015B Bonds. The Series 2007B Bonds will be redeemed at par.

### Series 2007B Bonds to be Refunded

<u>Maturity Date</u>	<u>Coupon</u>	<u>Refunded Par Amount</u>
October 1, 2018	5.000%	\$1,840,000
October 1, 2019	5.000	1,935,000
October 1, 2020	5.000	2,030,000
October 1, 2021	5.000	2,135,000
October 1, 2022	5.000	2,245,000

DASNY expects to redeem the Series 2008C Bonds set forth below on October 1, 2018 (the “2008C Redemption Date”) by applying a portion of the proceeds of the Series 2015 Bonds, together with other funds available to DASNY, to provide for the payment of the principal of and interest on the Series 2008C Bonds to the 2008C Redemption Date. The refunding is contingent upon the delivery of the Series 2015 Bonds. The Series 2008C Bonds will be redeemed at par.

### Series 2008C Bonds to be Refunded

<u>Maturity Date</u>	<u>Coupon</u>	<u>Refunded Par Amount</u>
October 1, 2028	7.250%	\$13,145,000
October 1, 2028	7.250	7,615,000
October 1, 2033	7.375	3,155,000
April 1, 2039	7.500	3,875,000

DASNY expects to redeem the Series 2008D Bonds set forth below on October 1, 2018 (the “2008D Redemption Date”) by applying a portion of the proceeds of the Series 2015A Bonds and the Series 2015B Bonds, together with other funds available to DASNY, to provide for the payment of the principal of and interest on the Series 2008D Bonds to the 2008D Redemption Date. The refunding is contingent upon the delivery of the Series 2015A Bonds and the Series 2015B Bonds. The Series 2008D Bonds will be redeemed at par.

### Series 2008D Bonds to be Refunded

<u>Maturity Date</u>	<u>Coupon</u>	<u>Refunded Par Amount</u>
October 1, 2024	5.750%	\$24,785,000

**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**

*Appendix H*

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## MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the



United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By \_\_\_\_\_  
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.  
31 West 52nd Street, New York, N.Y. 10019  
(212) 974-0100

Form 500NY (5/90)

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