OFFICIAL STATEMENT

RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Bond Counsel under existing statutes, regulations and court decisions interest on the Notes is excluded from gross income for Federal income tax purposes, and, under the existing statutes, interest on the Notes is exempt from New York State and New York City personal income taxes. In the opinion of Bond Counsel, interest on the Notes is not an item of tax preference for purposes of Federal alternative minimum tax. No opinion is expressed regarding other Federal tax consequences arising with respect to the Notes. See "Tax Exemption" herein.

*The District **will** designate the Notes as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.*

CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT
STEUBEN COUNTY, NEW YORK

$7,570,000
BOND ANTICIPATION NOTES, 2018
(the "Notes")

Dated Date: June 28, 2018 **Maturity Dates: June 28, 2019**

The Notes are general obligations of the Campbell-Savona Central School District, in Steuben County, New York (the "District"), and will contain a pledge of the faith and credit of the District for the payment of the principal of and interest on the Notes and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the District, without limitation as to rate or amount. (See "Tax Levy Limitation Law" herein).

The Notes will be issued as registered notes, and at the option of the purchaser, may be registered to The Depository Trust Company ("DTC" or the "Securities Depository") or may be registered in the name of the purchaser(s).

If the Notes will be issued as registered Notes, the Notes will be registered in the name of Cede & Co., as nominee of the DTC, New York, New York. DTC will act as securities depository for the Notes. Individual purchases may be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Notes. Payment of the principal of and interest on the Notes will be made by the District to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial Owners of the Notes as described herein. See "Book-Entry Only System" herein.

If the Notes are registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at such bank or trust company(ies) located and authorized to do business in the State of New York as may be selected by the successful bidder(s). In such case, the Notes will be issued in registered form in denominations of $5,000, or multiples thereof, as may be determined by such successful bidder(s).

The Notes are offered when, as and if issued and received by the purchasers and subject to the receipt of the final approving opinion of Timothy R. McGill, Esq., Fairport, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the offices of DTC in New York, New York or at such place as may be agreed upon with the Purchaser on or about April 13, 2015.

The Notes are dated June 28, 2018 and will bear interest from that date until June 28, 2019, the maturity date. The Notes are NOT subject to redemption prior to maturity.

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE DISCLOSURE FOR THE NOTES AS DEFINED IN THE RULE. SEE "DISCLOSURE UNDERTAKING," HEREIN.

Dated: June 6, 2018

No dealer, broker, salesman or other person has been authorized by the District to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the District from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof.

TABLE OF CONTENTS

APPENDIX A

CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT
STEUBEN COUNTY, NEW YORK

BOARD OF EDUCATION

Thomas Hauryski
PRESIDENT

Willard Caudill .... Vice President

Gregory Cacace .... Board Member

Shawn Corey .... Board Member

Ricky Salvagin .... Board Member

Paul Seager .... Board Member

Stacie VanSkiver .... Board Member

Kathy Hagenbuch .... Superintendent of Schools

Jason Rosno .... Director of Management Services

Kelly Costa .... School District Clerk

Kim Dykes .... School District Treasurer

Aaron Mullen, Esq. .... School District Attorney

BOND COUNSEL

Timothy R. McGill, Esq.
Fairport, New York

MUNICIPAL ADVISOR

CAPITAL MARKETS ADVISORS, LLC

Orchard Park, New York ◊ New York, New York ◊ Great Neck, New York
Elmira, New York ◊ Hopewell Junction, New York

OFFICIAL STATEMENT

CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT
STEUBEN COUNTY, NEW YORK

Relating to

$7,570,000 BOND ANTICIPATION NOTES, 2018

(the “Notes”)

This Official Statement (the "Official Statement"), which includes the cover page, inside cover page, and appendices hereto, presents certain information relating to the Campbell-Savona Central School District, in Steuben County, in the State of New York (the "District," "County" and "State," respectively), in connection with the sale of $7,570,000 Bond Anticipation Notes, 2018 (the “Notes”).

All quotations from and summaries and explanations of provisions of the Constitution and Laws of the State and acts and proceedings of the District contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

THE NOTES

Description

The Notes are dated June 28, 2018 and will bear interest from that date until maturity on June 28, 2019 at the annual rate or rates specified by the purchaser. The Notes will not be subject to redemption prior to maturity.

If the Notes will be issued as registered Notes, the Notes will be registered in the name of Cede & Co., as nominee of the DTC, New York, New York. DTC will act as securities depository for the Notes. Individual purchases may be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Notes. Payment of the principal of and interest on the Notes will be made by the District to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial Owners of the Notes as described herein. See "Book-Entry Only System" herein.

If the Notes are registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at such bank or trust company(ies) located and authorized to do business in the State of New York as may be selected by the successful bidder(s). In such case, the Notes will be issued in registered form in denominations of $5,000, or multiples thereof, as may be determined by such successful bidder(s).

Authority for and Purpose of Issue

The Notes are issued pursuant to the Constitution and Laws of the State, including the Local Finance Law, the Education Law and bond resolution duly adopted by the Board of Education of the District on December 21, 2015, authorizing the District to issue bonds or bond anticipation notes in an amount not to exceed $9,800,000 for a capital improvement project. Proceeds of the Notes along with $430,000 budgetary appropriations will redeem and renew $8,000,000 of the bond anticipation notes maturing on June 28, 2018.

Nature of Obligation

Each Note when duly issued and paid for will constitute a contract between the District and the holder thereof.

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest the District has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the District without limitation as to rate or amount. (See "Tax Levy Limitation Law" herein.)

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate therefor.

Book-Entry Only System

If the Notes are issued in book-entry form, through the Depository Trust Company ("DTC"), New York, New York, DTC will act as securities depository for the Notes. The Notes will be issued as fully-registered notes registered 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 bond certificate will be issued for each maturity of the Notes and will be deposited with DTC. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, 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 and www.dtc.org.

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

To facilitate subsequent transfers, all Notes 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 the Notes 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 Notes; DTC's records reflect only the identity of the

Direct Participants to whose accounts such Notes 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 Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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

Principal and interest payments on the Notes 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 the County, on 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 or the District, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

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

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

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY STSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE DISTRICT BELIEVES TO BE RELIABLE, BUT THE DISTRICT TAKES NO REPOSONSIBLITY FOR THE ACCURACY THEREOF.

Source: The Depository Trust Company

DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES

Upon the delivery of the Notes, the Purchaser will be furnished with the following items: (i) a Certificate of the President of the Board of Education to the effect that as of the date of this Official Statement and at all times subsequent thereto, up to and including the time of the delivery of the Notes, this Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, and further stating that there has been no adverse material change in the financial condition of the District since the date of this Official Statement to the date of issuance of the Notes; and having attached thereto a copy of this Official Statement; and (ii) a Closing Certificate evidencing the due execution of the Notes, including statements that (a) no litigation of any nature is pending or, to the knowledge of the signers, threatened, restraining or enjoining the issuance and deliver of the Notes or the levy and collection of taxes to pay the principal of and interest thereon, nor in any manner questioning the proceedings and authority under which the Notes were authorized or affecting the validity of the Notes thereunder, (b) neither the corporate existence or boundaries of the District nor the title of the signer to his office is being contested, and (c) no authority or proceedings for the issuance of the Notes have been repealed, revoked or rescinded, and (iii) an Arbitrage Certificate executed by the President of the Board of Education, as described under "Tax Matters" herein.

MARKET FACTORS AFFECTING FINANCINGS OF THE STATE AND SCHOOL DISTRICTS OF THE STATE

The financial condition of the District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the District's control. There can be no assurance that adverse events in the State, including, for example, the seeking by a municipality of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or at any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the District to arrange for additional borrowings and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The District is dependent, in part, on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of the State taxes in order to pay State aid to municipalities and school districts in the State, including the District, in this year or future years, the District may be affected by a delay, until sufficient State taxes have been received by the State to make State aid payments to the District.

Should the District fail to receive monies expected from the State in the amounts and at the times expected, the District is permitted to issue revenue anticipation notes in anticipation of the receipt of delayed State aid.

TAX MATTERS

In the opinion of Timothy R. McGill, Esq. (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and The City of New York. Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the Federal alternative tax. Bond Counsel expresses no opinion regarding other federal income tax consequences caused by the receipt or accrual of interest on the Notes.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The District has covenanted to comply with certain restrictions designed to insure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants will result in interest on the Notes being included in gross income for federal income tax purposes as well as adjusted gross income for purposes of personal income taxes imposed by the State of New York or The City of New York, from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Notes or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than Timothy R. McGill, Esq.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is excluded from adjusted gross income for federal income taxes imposed by the State of New York and The City of New York, the ownership or disposition of, or the accrual or receipt of interest on, the Notes may otherwise affect a Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Owner or the Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Timothy R. McGill, Esq., Bond Counsel.

DISCLOSURE UNDERTAKING

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, the District has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Note is outstanding, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Note:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service 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 Note, or other material events affecting the tax status of the Note
- (g) modifications to rights of Note holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Note, if material
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the District
- (m) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the 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
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material

All notices provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB. There is no obligated person under the Rule other than the School District.

The District may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the District determines that any such other event is material with respect to the Note; but the District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The District reserves the right to terminate its obligation to provide the aforedescribed notices of material events, as set forth above, if and when the District no longer remains an obligated person with respect to the Note within the meaning of the Rule. The District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Note (including holders of beneficial interests in the Note). The right of holders of the Note to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the District's obligations under its material event notices undertaking and any failure by the District to comply with the provisions of the undertaking will neither be a default with respect to the Note nor entitle any holder of the Note to recover monetary damages.

The District reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the District; provided that the District agrees that any such modification will be done in a manner consistent with the Rule.

An "Undertaking to Provide Notice of Material Events" to this effect shall be provided to the purchaser(s) at closing.

For the past five years, the District has compiled, in all material respects, with its continuing disclosure undertakings to provide audited annual financial statements and statements of annual financial information. That being said, over the past five years there have been a variety of ratings changes to the municipal bond insurers which insure the outstanding serial bonds of the District, and notices of these rating changes were not timely filed in accordance with the Rule. However, notices of these insurance ratings changes based on bond insurer downgrades were filed on August 1, 2014.

RATING

The District has not applied for a rating on the Notes.

Standard and Poor’s Corporation has currently assigned a rating of “A+” to the uninsured outstanding bonded indebtedness of the District.

Such rating reflects only the view of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following addresses: Standard & Poor's Corporation, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of any of the rating may have an adverse effect on the market price of the Notes.

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC has acted as Municipal Advisor to the District in connection with the sale of the Notes.

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement, and the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the District to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Notes.

ADDITIONAL INFORMATION

Additional information may be obtained from the District's Director of Management Services (Paying Agent Contact), Mr. Jason Rosno at 8455 County Route 125, Campbell, NY 14821, phone: (607) 527-9800, email: jrosno@cscsd.org, or from the District's Municipal Advisor, Capital Markets Advisors, LLC, (716) 662-3910.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the District and the original purchasers or holders of any of the Notes.

This Official Statement is submitted only in connection with the sale of the Notes by the District and may not be reproduced or used in whole or in part for any other purpose.

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at www.capmark.org. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Capital Markets Advisors has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the District nor Capital Markets Advisors assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors and the District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Capital Markets Advisors and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

This Official Statement has been duly executed and delivered by the President of the Board of Education.

CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT

By: ________________________________

Thomas Hauryski
President of the Board of Education

Dated: June 6, 2018

APPENDIX A

THE DISTRICT

General Information

The Campbell-Savona Central School District, located in the Towns of Addison, Bath, Bradford, Cameron, Campbell, Erwin and Thurston in Steuben County, New York, was organized in 1992. The district buildings are located in the Hamlets of Campbell and Savona approximately eight and twelve miles, respectively, northwest of the City of Corning. The population of the District is approximately 6,000.

The School District is predominately rural/residential in character with residents finding employment in the Bath-Hammondsport or Corning-Elmira areas.

Major highways serving the School District include State Highway 17 (I-86), which connects the District with, the "Southern Tier Expressway" providing easy access to Corning and Elmira. Bus and rail service are available in Corning, while air transportation is available at the Elmira-Corning Regional Airport and the Corning-Painted Post Airport for business aircraft.

Village residents in Campbell and Savona have access to municipal water supplies. Electricity is provided by New York State Electric and Gas Corporation and Rural Electric Co-Op, Inc.; natural gas by Corning National Gas Corporation and Columbia Gas Transmission. Verizon New York Inc. and MCI provide telephone service. The Steuben County Sheriff's Department and the New York State Police provide police protection. Various volunteer companies provide fire protection and ambulance service.

The District provides public education for grades pre-K-12. Opportunities for higher education are available at nearby Corning Community College, Elmira College, Keuka College, and Finger Lakes Community College. Cornell University, Ithaca College, Alfred State College and Alfred University are also within close proximity.

Commercial services are found primarily in the Corning and Bath area.

District Organization

Subject to the provisions of the State Constitution, the District operates pursuant to the Education Law, the Local Finance Law, other laws generally applicable to the District, and any special laws applicable to the District. Under such laws, there is no authority for the District to have a charter or adopt local laws.

The legislative power of the District is vested in the Board of Education (the "Board"). Under current law, an election is held within the District boundaries on the third Tuesday of May each year to elect members of the Board. Board members are generally elected for a term of five years.

In early July of each year, the Board meets for the purposes of reorganization. At that time, the Board elects a President and Vice President, Clerk and District Treasurer. The current Assistant Superintendent has a two year contract.

The major administrative officers of the District, whose duty it is to implement the policies of the Board include the Superintendent of Schools, the Assistant Superintendent, Clerk and the District Treasurer. The Clerk and District Treasurer are appointed by the Board.

Financial Organization

Pursuant to the Local Finance Law, the President of the Board is the chief fiscal officer of the District. However, certain of the financial functions of the District are the responsibility of the Superintendent of Schools, the Assistant Superintendent and the District Treasurer.

Budgetary Procedure

Pursuant to the Education Law, the Board of Education of the District annually prepares, or causes to be prepared, a budget for the ensuing fiscal year. A public hearing on such budget is held not less than seven and not more than fourteen days prior to the vote. The Board of Education causes notice of such public hearing to be published four times beginning seven weeks prior to the vote. After the public hearing, but not less than six days prior to the budget vote, the District must mail a school budget notice to all qualified voters which contains the total budgeted amount, the dollar and percentage increase or decrease in the proposed budget (or contingency budget) as compared to the current budget, the percentage increase or decrease in the consumer price index, the estimated tax levy, the basic STAR exemption impact, the administrative, program and capital components of the budget and the date, time and place of the budget vote.

After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. All qualified District residents are eligible to participate.

If, by majority vote, the budget is rejected, the Board of Education may change, alter or revise the budget and may hold a second public hearing and referendum. However, such Board of Education may exercise its option, pursuant to the Education Law, to adopt by resolution a contingency budget for the ensuing fiscal year. Such contingency budget provides for ordinary contingent expenses, including debt service.

The voters approved the District's 2018-19 budget on May 15, 2018.

Financial Statements and Accounting Procedures

The financial accounts of the District are maintained in accordance with the New York State Uniform System of Accounting for School Districts. Such accounts are audited annually by independent auditors, and financial statements prepared in accordance with generally accepted accounting principals are available for public inspection upon request. A copy of the District's most recent audited financial statement is contained in Appendix C.

School Enrollment Trends

The following table presents actual and projected school enrollment trends for the District.

TABLE 1
School Enrollment Trends

Fiscal Year	Actual Enrollment	Fiscal Year	Projected Enrollment
2014-15	854	2017-18	844
2015-16	856	2018-19	842
2016-17	847	2019-20	835

Source: District Officials.

District Facilities

The District operates the following facilities; statistics relating to each are shown below.

TABLE 2
School Facilities

Names	Grades	Current Capacity
Junior-Senior High School Campbell Building	7 - 12	1,111
Elementary School Savona Building	Pre-K - 6	935
	Total:	2,046

Employees

The District currently has 165 full-time and 14 part-time employees, some of which are represented by the following collective bargaining organization.

TABLE 3
Employees

Number of Employees	Organization	Contract Expiration Date
98	Campbell-Savona Teachers Association	06/30/2017
65	Campbell-Savona Support Staff Unit	06/30/2018
6	Campbell-Savona Administrators Association	06/30/2018

Source: District Officials.

Employee Pension Benefits

All non-teaching and non-certified administrative employees of the School District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York and Local Employees' Retirement System ("ERS").

Teachers, teaching assistants, and certified administrators are members of the New York State Teachers' Retirement System ("TRS"). Payments to the Retirement System are deducted from the School District's State aid payments.

Both the ERS and the TRS are non-contributing with respect to members hired prior to July 27, 1976. The Retirement Systems are non-contributory with respect to members working ten or more years. All members working less than ten years must contribute 3% of gross annual salary toward the cost of retirement programs.

The following table details the actual contributions to ERS and TRS for the past three audited fiscal years and the budgeted amounts for the current fiscal year.

	TRS	ERS
2019 *Budgeted*	$610,000	$215,000
2018 *Budgeted*	$570,000	215,000
2017	703,743	215,153
2016	783,062	237,805
2015	1,030,565	270,000

In 2003, Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and the Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program for the ERS. The reform program established a minimum contribution for any local governmental employer equal to 4.5% of pensionable salaries for bills which were due December 15, 2003 and for all fiscal years thereafter, as a minimum annual contribution where the actual rate would otherwise be 4.5% or less due to the investment performance of the fund. In addition, the reform program instituted a billing system to match the budget cycle of municipalities and school districts that will advise such employers over one year in advance concerning actual pension contribution rates for the next annual billing cycle. Under the previous method, the requisite ERS contributions for a fiscal year could not be determined until after the local budget adoption process was complete. Under the new system, a contribution for a given fiscal year will be based on the valuation of the pension fund on the prior April 1 of the calendar year proceeding the contribution due date instead of the following April 1 in the year of contribution so that the exact amount may now be included in a budget.

On December 10, 2009, the Governor signed into law pension reform legislation that will provide (according to a Division of the Budget analysis) more than $35 billion in long-term savings to State taxpayers over the next thirty years. The legislation creates a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age of which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38 percent for any civilian who retires prior to age 62.
- Requiring employees to continue contributing three percent of their salaries toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from five years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15 percent of non-overtime wages.

Members of the NYS Teachers Retirement System will have a separate Tier V benefit structure that will achieve equivalent savings as other civilian public employees. It includes:

- Raising the minimum age an individual can retire without penalty from 55 to 57 years.
- Contributing 3.5 percent of their annual wages to pension costs rather than 3.0 percent and continuing this increased contribution so long as they accumulate additional pension credits.
- Increasing the two percent multiplier threshold for final pension calculations from 20 to 25 years.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides, among other things, for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

Pension reform legislation enacted in 2003 and 2004 changed the cycle of ERS billing to match budget cycles of the District. Under the previous method, the District was unsure of how much it paid to the system until after its budget was implemented. Under the current method the contribution for a given fiscal year will be based on the value of the pension fund on the prior April 1 instead of the following April 1 so that the District will be able to more accurately include the cost of the contribution into its budget. The reform legislation also (i) required the District to make a minimum contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would make a lower contribution possible and (ii) moved the annual payment date for contributions from December 15th to February 1st, effective December 15, 2004.

The New York State ERS rate for the 2017-18 fiscal year is 15.3%. The 2017-18 ERS rate is not expected to change. The New York State TRS rate for the 2017-18 fiscal year is 9.80%. The 2018-19 TRS rate is expected to be 10.68%.

Previously, due to poor performance of the investment portfolio of the State Retirement System, New York State Comptroller Thomas DiNapoli has announced that the employer contribution rates for required pension contributions to the SRS will continue to increase. To help mitigate the impact of their ERS increases, legislation has been enacted that permits local governments and school district to amortize a portion of such contributions. Under such legislation, local governments and school district that choose to amortize a portion of their ERS contributions will be required to set aside and reserve funds with the SRS for certain future rate increases. The District has not opted into the pension smoothing plan.

In Spring 2013, the State and TRS approved a Stable Contribution Option ("SCO") that gives school districts the ability to better manage the spikes in Actuarially Required Contribution rates ("ARCs"). ERS followed suit and modified its existing SCO, which was adopted in 2010. Each plan allows school districts to pay the SCO amount in lieu of the ARC amount, which is higher, and defer the difference in payment amounts as described below. The plan, which was approved in Governor Cuomo's 2014-15 budget would let districts contribute 14.13% of employee costs toward pensions. The District has not opted into the pension smoothing plan.

The TRS SCO deferral plan is available to school districts for the next 7 years. Under the TRS SCO plan, payment of the deferred amount will commence in year six of the program (2018-19) and continue for five years. School districts can elect to no longer participate in the plan at any time, resume paying the ARC and begin repayment of deferred amounts over five years. Under the ERS SCO, payment of deferred amounts begins the year immediately following the deferral and the repayment period is 12 years. Once made, the election to participate in the ERS SCO is permanent. However, the school districts can choose not to defer payment in any given year. In both plans, interest on the deferred amounts is based on the yield of 10-year U.S. Treasury securities plus 1%.

The primary benefit of participation in the SCO plans is the elimination of the uncertainty in the volatility of future pension contribution ARCs in the near term, thereby providing school districts with significant assistance in its ability to create a stable and reliable fiscal plan. The District has not and does not plan to participate in the ERS or TRS SCO program.

Other Post-Employment Benefits

The District provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School Districts and Boards of Cooperative Education Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees. This protection from unilateral reduction of benefits had been extended annually by the New York State Legislature until recently when legislation was enacted to make permanent these health insurance benefit protections for retirees. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of the date hereof. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

GASB Statement No. 45 (“GASB 45”) of the Governmental Accounting Standards Board (“GASB”), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other nonpension benefits (“OPEB”). GASB 45 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 45 will require 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. Unlike GASB 27, which covers accounting for pensions, GASB 45 does not require municipalities or school districts to report a net OPEB obligation at the start.

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 District was in compliance with the requirements of GASB 45 by the applicable effective date, and the summary of the actuarial valuation is included in the District’s June 30, 2016 financial statements attached herein.

The table below shows the components of the District's annual OPEB cost for the past two audited fiscal years, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

	2017	2016
Normal Cost	$1,644,026	$1,543,385
Amortization of unfunded ACL	2,605,799	$2,930,000
Interest Adjustment	553,783	$451,113
Annual Required Contribution adjustment	(800,633)	($652,198)
	4,002,975	$4,272,300
Contributions made	(1,573,559)	($1,705,545)
Increase in net OPEB obligation	2,429,416	$2,566,755
Net OPEB obligation – beginning of the year	13,844,580	$11,277,825
Net OPEB obligation – end of year	$16,273,996	$13,844,580

As of June 30, 2017, the most recent actuarial valuation date, the plan was unfunded. The unfunded actuarial accrued liability for benefits for governmental activities was $46,900,949.

Actuarial Valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are less than 200 members.

Investment Policy/Permitted Investments

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law (the "GML"), the District is generally permitted to deposit moneys in banks and trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

The District may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those bonds issued by the District; (5) certificates of participation issued by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the District pursuant to law, in obligations of the District.

All of the foregoing instruments and investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of instruments and investments purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the District, such instruments and investments must be purchased through, delivered to and held in custody of a bank or trust company in the State pursuant to a written custodial agreement as provided in Section 10 of the GML.

The Board of Education had adopted an investment policy and such policy conforms with applicable laws of the State governing the deposit and investment of public moneys. All deposits and investments of the District are made in accordance with such policy.

FINANCIAL FACTORS

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 Revenues and Expenditures for the five-year period ending June 30, 2017 is contained in Appendix B. As reflected in Appendix B, the District derives the bulk of its annual revenues from tax on real property and State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Property Taxes

The District derives a major portion of its revenues from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance-General Fund" in Appendix B, herein). Property taxes accounted for 22.4% of total general fund revenues for the fiscal year ended June 30, 2017, while State aid accounted for 74.1%.

The following table sets forth total general fund revenues and real property tax revenues during the last five audited fiscal years and the amounts budgeted for the current fiscal year.

TABLE 4
Property Taxes

Fiscal Year Ending June 30:	Total Revenues	Real Property Taxes	Real Property Tax Revenues to Revenues
2013	$19,743,475	$4,782,816	24.2%
2014	20,045,173	4,891,332	24.4%
2015	20,778,874	4,973,460	23.9%
2016	20,925,771	5,002,234	23.9%
2017	21,741,753	5,048,636	23.2%
2018 *Budget*	22,036,998	4,910,414	22.3%
2019 *Budget*	22,239,488	4,984,470	22.4%

Source: Audited Financial Statement and Adopted Budget of the District.

State Aid

The District also receives a portion of its revenues in the form of State aid. However, there is no assurance that the State appropriation for State aid to school districts will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the District, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

In addition to the amount of State Aid budgeted by the District in its 2017-18 fiscal year, the State is expected to make payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR (see "STAR-School Tax Exemption") Program. The District expects to receive timely receipt of STAR aid for the current fiscal year.

In January 2001, the State Supreme Court issued a decision in *Campaign for Fiscal Equity ("CFE") v. New York* mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a statewide remedy and instead limited its ruling solely to the New York City school system.

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York is scheduled to be heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights ("NYSER") v. State of New York and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case , and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid , to fully fund the "foundation aid" formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. It is not possible to predict the outcome of this litigation.

While the increases in State aid following this case have been targeted to high needs schools and other schools did share in the overall increase of State aid. The District is unable to predict whether this pattern of distribution will continue beyond that which is included in later legislation dealing with foundation aid. Increased State aid for New York City schools and other high needs schools may result in reductions in the future of State aid to certain school districts, including the District.

In any event, the outcome of this matter does not affect the validity of any obligations issued by the District, including the Bonds, nor the ability of the District to levy taxes on the taxable real property in the District to pay the Bonds and the interest thereon as the same shall become due and payable.

The Gap Elimination Adjustment (GEA) law was first introduced for the 2010-11 fiscal year (although it existed in 2009-10 and was called "Deficit Reduction Assessment") as a way to help close the State's then $10 billion budget deficit. Under legislation, a portion of the funding shortfall at the state level is divided among all school districts throughout the State and reflected as a reduction in school district state aid. The GEA is a negative number, money that is deducted from the aid originally due to the District. Since the program began, the GEA and Deficit Reduction Assessment reduction in State aid for the District has amounted to approximately $602 thousand annually. As a result, the District has been forced to reduce programs, services, and staff accordingly. Beginning in the 2014-15 fiscal year, the State made modest restorations to the GEA. In the 2014-15 fiscal year, the GEA was reduced by $344,433, dropping the total GEA to $257,643. In the 2015-16 fiscal year, it has been further reduced by $237,630, yielding a remaining GEA of $20,013. In the 2016-17 fiscal year, the GEA has been eliminated.

The Smart Schools Bond Act was passed as part of the Enacted 2014-15 State Budget. The Smart Schools Bond Act authorizes the issuance of $2 billion of general obligation bonds to financed improved educational technology and infrastructure to improve learning and opportunity for students throughout the State. The District's estimated allocation of funds is $1,268,792.

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. The State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. 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 any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefor.

No delay in payment of State aid for the District's 2017-18 fiscal years is presently anticipated; although no assurance can be given that there will not be a delay in payment thereof. Should the District fail to receive monies expected from the State in the amounts and at the times expected, the District is permitted to issue revenue anticipation notes in anticipation of the receipt of delayed State aid.

The following table sets forth total general fund revenues and State aid revenues during the last five audited fiscal years and the amounts budgeted for the current and fiscal year.

TABLE 5
State Aid

Fiscal Year Ending June 30:	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2013	$19,743,475	$14,178,018	71.8%
2014	20,045,173	14,434,430	72.0%
2015	20,778,874	15,101,673	72.7%
2016	20,925,771	15,310,474	73.2%
2017	21,741,753	16,021,577	73.7%
2018 *Budget*	22,036,998	16,115,822	73.1%
2019 *Budget*	22,239,488	16,488,000	74.1%

Source: Audited Financial Statement and Adopted Budget of the District.

Recent Events Affecting New York School Districts

School district fiscal year (2012-13): The State Legislature adopted the State budget on March 30, 2012. The budget included an increase of $751 million in State aid for school districts.

School district fiscal year (2013-14): The State Legislature adopted the State budget on March 29, 2013. The budget included an increase of $1.0 billion in State aid for school districts.

School district fiscal year (2014-15): The State Legislature adopted the State budget on April 1, 2014. The budget included an increase of $807 million in State aid for school districts totally $21.88 billion in State aid for New York school districts.

School district fiscal year (2015-16): The State Legislature adopted the State budget on April 1, 2015. The budget provides for school aid of approximately $23.5 billion, which represents an increase of approximately $1.3 billion, or 7.4%, in total school aid spending from the 2014-15 school year. The budget continues a three-year appropriation methodology established in the 2011-12 State fiscal year and limits future school aid increases to growth as measured by the total personal income of residents of the State.

School district fiscal year (2016-17): The State Legislature adopted the State budget on March 31, 2016. The budget includes an increase of $991 million in State aid for school districts over the 2015-16 budget, $863 million of which consists of traditional operating aid. In addition to the $408 million of expense based aid, the budget includes a $266 million increase in Foundation Aid and a $189 million restoration to the Gap Elimination Adjustment. The majority of the remaining increase includes $100 million in Community Schools Aid, a newly adopted aid category, to support school districts that wish to create community schools. The funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families. The budget includes School Aid spending of $24.8 billion, a $1.5 billion increase (6.5% increase) from the prior fiscal year.

School district fiscal year (2017-18): The State Legislature adopted the State budget on April 9, 2017. The State budget included an increase $1.1 billion in State aid to school districts, including a $700 million increase in Foundation Aid. The Governor's proposal essentially replaced the Foundation Aid formula with a new formula based on prior year aid plus a base increase and a community schools aid increase for districts with failing or persistently failing schools or a concentration of English language learners. The Enacted Budget set aside $50 million of the Foundation Aid increase to be used for community schools, putting the total amount set aside for community schools at $150 million. The budget allocated an additional $35 million for public after-school programs in the State's 16 Empire State Poverty Reduction Initiative communities. In addition, the Budget included an over $800 million investment in prekindergarten to expand high-quality half-day and full-day prekindergarten for three- and four-year-old children in high-need school districts. The budget included School Aid spending of $25.8 billion, an increase of 4.4% from the prior fiscal year.

School district fiscal year (2018-19) The State budget provisions relating to school districts for the 2018-19 School District fiscal year were adopted on March 30, 2018. The budget increases Education Aid by $1 billion, including a $619 million increase in Foundation Aid, without revision to the formula. The Budget set aside $50 million of the Foundation Aid increase to be used for community schools, putting the total amount set aside for community schools at $200 million. The approved spending plan also includes a $15 million investment in prekindergarten to expand high-quality half-day and full-day prekindergarten instruction for 3,000 three- and four-year-old children across the state. The budget included School Aid spending of $26.7 billion or an increase of 3.9 percent.

The budget continues to link school aid increases for 2017-18 and 2018-19 with teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law section 3012-d.

The Enacted Budget for the 2018-19 fiscal year provides $17.34 million of State Aid to the District, a 4.03% increase from the District's 2017-18 school year.

The School District presently anticipates an increase in its State Aid not related to building aid for its 2017-2018 fiscal year in an amount of $654,377.

It should also be noted that the School District receives federal aid for certain programs. In its last audited fiscal year, the School District received $97,388 in such direct federal aid. It is not possible to predict whether such aid will continue in the future, or if continued, whether it will be funded at present levels.

The District cannot predict at this time whether there will be any reductions in and/or delays in the receipt of State aid during the District's 2018-19 fiscal year. The District believes that it would mitigate the impact of any delays or the reduction in State aid by reducing expenditures, increasing revenues, appropriating other available funds on hand, and/or by any combination of the foregoing.

The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers 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 system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This 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 to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The most current applicable report of the State Comptroller designates the District as "susceptible to fiscal stress" (see http://www.osc.state.ny.us/localgov/fiscalmonitoring/schools/pdf/2017/summary-list.pdf).

New York State Comptroller's Audit

Many school districts throughout the state can be subject to an audit of the New York State Office of the Comptroller ("OSC") pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law.

On April 15, 2015, OSC, Division of Local Government and School Accountability released an audit of the District to review selected District's tentative budget for the 2015-16 fiscal year to determine if the substantial revenue and expenditure estimates were reasonable. The audit found that the District's projections were reasonable, but that the District has continued to appropriate unnecessary fund balance to fund operation while also overfunding two reserves. This audit's purpose has been previously administered for the past five years, in which the District's budget reviews found that in 2010, 2011, 2012, and 2013 the budgets were appropriately projected. However, on April 24, 2014, the audited budget review found that the District had not appropriately projected expenditures for the fiscal year 2013-14. The District was advised to be more realistic with future projections.

On May 6, 2015, OSC released an audit of the District to review selected District's financial condition from July 1, 2011 through January 31, 2015. The audit found that District Officials have continued to overestimate appropriations and underestimate revenues, which has been a continuation of poor budgeting practice that had been audited in 2014 and 2013. Additionally, the fund balance was found to be excessive.

On April 13, 2016, OSC released an audit of the District to review whether the significant revenue and expenditure projections in the District's tentative budget for the 2016-17 fiscal year are reasonable. The audit found that District Officials have significant revenue and expenditure projections in the tentative budget appear reasonable, the District consistently appropriates fund balance that is not needed to fund operations, the unemployment reserve is overfunded, and the District's tentative budget complies with the property tax levy limit.

The link to the most recent OSC report is as follows:

http://www.osc.state.ny.us/localgov/audits/schools/2016/campbellsavona_br.pdf

The OSC has not conducted any other audits of the District in the past three years.

(The remainder of this page was intentionally left blank.)

TAX INFORMATION

Real Property Tax Assessments and Rates

TABLE 6

Real Property Tax Assessments and Rates

(Fiscal Years Ending June 30)

	2014	2015	2016	2017	2018
Town of Addison					
Assessed Value	$1,794,214	$2,143,880	$2,316,890	$2,262,816	$2,460,583
Equalization Rate (1)	92.00%	100.00%	100.00%	100.00%	98.00%
Full Value	$1,950,233	$2,143,880	$2,316,890	$2,262,816	$2,510,799
Town of Bath					
Assessed Value	$33,166,246	$33,153,762	$33,339,606	$33,582,512	$33,621,142
Equalization Rate (1)	47.00%	46.00%	45.00%	45.00%	45.00%
Full Value	$70,566,481	$72,073,396	$74,088.013	$74,627,804	$74,713,649
Town of Bradford					
Assessed Value	$8,662,872	$8,414,476	$7,729,729	$7,823,555	$7,765,161
Equalization Rate (1)	93.00%	93.00%	83.00%	81.00%	84.00%
Full Value	$9,314,916	$9,047,824	$9,312,927	$9,658,710	$9,244,239
Town of Cameron					
Assessed Value	$374,300	$424,600	$424,600	$424,600	$424,600
Equalization Rate (1)	92.00%	100.00%	100.00%	99.00%	98.00%
Full Value	$406,848	$424,600	$424,600	$428,889	$433,265
Town of Campbell					
Assessed Value	$2,883,526	$2,884,849	$123,654,495	$122,592,774	$122,178,135
Equalization Rate (1)	2.95%	2.87%	100.00%	100.00%	100.00%
Full Value	$97,746,644	$100,517,387	$123,654,495	$122,592,774	$122,179,635
Town of Erwin					
Assessed Value	$2,257,868	$2,943,751	$3,126,410	$3,120,471	$3,143,790
Equalization Rate (1)	99.00%	100.00%	100.00%	100.00%	100.00%
Full Value	$2,280,675	$2,943,751	$3,126,410	$3,120,471	$3,143,790
Town of Thurston					
Assessed Value	$2,151,848	$2,132,201	$2,120,088	$2,109,223	$2,105,353
Equalization Rate (1)	3.76%	3.76%	3.33%	3.15%	3.15%
Full Value	$57,230,000	$56,707,473	$63,666,306	$66,959,460	$66,884,222
Total:					
Assessed Value	$51,290,874	$52,097,519	$172,711,818	$171,915,951	$171,698,764
Full Value	$239,495,797	$243,858,311	$276,589,641	$279,650,924	$279,109,600
Tax Levy	$4,695,318	$4,755,516	$4,800,693	$4,814,182	$4,910,414

(1) The equalization rates shown here were used to apportion the school tax levies and may not be the same as those required for debt limit purposes.

Source: District Officials

Tax Limit

The Constitution does not limit the amount that may be raised by the District-wide tax levy on real estate in any fiscal year. See, however, the discussion under the sub-heading — “Tax Levy Limitation Law,” herein.

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor ("Chapter 97" or the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse, and Yonkers.)

Prior to the enactment of the Tax Levy Limitation Law, there was no statutory limitation on the amount of real property taxes that a school district could levy as part of its budget if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year's budget or one hundred twenty percent (120%) of the consumer price index ("CPI").

Chapter 97 now requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-13 fiscal year.

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. It expires on June 15, 2020. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases or changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district could exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year, without any stated exceptions.

A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

There are exceptions for school districts to the tax levy limitation provided in Chapter 97, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures", are defined as "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 "Capital Local Expenditures" is defined as the "Capital Tax Levy", and this is an exclusion from the tax levy limitation.

On February 20, 2013, the New York State United Teachers ("NYSUT") organization filed a lawsuit against the State challenging the Tax Levy Limitation Law as applied to school districts on multiple federal and state constitutional grounds. See "NYSUT Lawsuit" herein.

Real Property Tax Rebate (Chapter 20)

Chapter 20 introduced a new real property tax rebate program that will provide state-financed tax rebate checks and credits to taxpayers who are eligible for the STAR exemption (see "STAR - School Tax Exemption," herein) in the years 2016-2019. Residents of New York City are not eligible for the Chapter 20 Real Property Tax Rebate. For 2016, eligible taxpayers who reside outside New York City but within the Metropolitan Commuter Transportation District ("MCTD") received $130, and eligible taxpayers who reside outside the MCTD received $185. Credits in 2017-2018 will vary based on a taxpayer's personal income level and STAR tax savings.

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. However, for many taxpayers only the compliance of the school district in which the taxpayer resides is relevant. Municipal compliance with the Tax Levy Limitation Law is only required in the case of the "Big 4" cities that have fiscally dependent school districts. In such cases, the joint school/city levy must remain in compliance with the Tax Levy Limitation Law. In either scenario, the relevant jurisdiction (independent school district or joint city/school district) must certify its compliance with the provisions of the Tax Levy Limitation Law.
While the tax rebate provisions 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 District are uncertain at this time.

Tax Collection Procedure

The real property taxes of the District are collected by the School Tax Collector. Such taxes are due on September 1, and may be paid without penalty through September 30. The penalty on unpaid taxes is 2% after September 30. On or about November 15, the District files a report of any uncollected District taxes with the County. The County thereafter on or before April pays to the District the full amount of its uncollected taxes. Thus, the full amount of the District's real property tax levy is collected by the District in the fiscal year of the levy. The County has the power to issue and sell tax anticipation notes to fund the reimbursement of uncollected taxes due to the District. The library taxes are included with the school tax bill.

The District is responsible for the collection of taxes of the Savona Free Library.

STAR - School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School Districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program.

For the 2018-19 school levy year, homeowners subject to certain household income limitations are eligible for an enhanced exemption and basic exemption as follows:

Towns of:	**Enhanced Exemption**	**Basic Exemption**
Town of Addison	$66,800	$30,000
Town of Bath	66,800	30,000
Town of Bradford	56,110	25,200
Town of Cameron	65,460	29,400
Town of Campbell	66,800	30,000
Town of Erwin	66,800	30,000
Town of Thurston	2,100	950

Date Certified: 04/09/2018

The enhanced or basic STAR exemption is the amount that an assessment will be reduced prior to the levy of school taxes. For example, if a home is assessed at $150,000 and the enhanced STAR exemption for a municipality is $50,000, the school taxes on the property would be paid on a taxable assessment of $100,000 ($150,000 - $50,000 = $100,000).

Since the 2011-12 school tax bills, there has been a 2% limit on STAR savings increases, the savings results from the Basic or Enhanced STAR exemptions are limited to a 2% increase over the prior year. When school district initially calculates their tax bills, for each municipal segment they will compare the amount of STAR savings to the maximum. If the STAR savings exceeded the maximum, the school district will use the maximum when calculating tax bills for the segment.

The maximum savings for each of the municipalities within the District for the 2018-19 are as follows:

Municipality:	Basic Maximum Savings	Enhanced Maximum Savings
Town of Addison	$538	$1,170
Town of Bath	$538	$1,170
Town of Bradford	$519	$1,134
Town of Cameron	$543	$1,181
Town of Campbell	$548	$1,193
Town of Erwin	$538	$1,170
Town of Thurston	$542	$1,174

Updated: 03/28/2018

The District received full reimbursement of such exempt taxes from the State during the current fiscal year.

Ten of the Largest Taxpayers

The following table presents the taxable valuations of the District's ten largest taxpayers on the 2017 Assessment Roll used to levy 2017-18 taxes.

TABLE 7
Taxable Assessments

Taxpayer	Nature of Business	Taxable Valuation	Taxable Assessed Valuation(1)
NYS E & G Corporation	Utility	$8,225,663	4.79%
Upstate Niagara Cooperative	Manufacturer	7,094,500	4.13%
State of New York	State Land	3,450,932	2.01%
MGRE Colonial IV, LLC	Trailer Parks	2,347,100	1.37%
Warren A. Thompson	Farming	2,006,571	1.17%
Steuben Rural Electric Coop	Utility	1,684,434	0.98%
Edward J. Clark, Jr.	Farming	1,644,516	0.96%
Verizon New York, Inc.	Utility	1,478,077	0.86%
Gary Loucks	Propane Sales	760,500	0.44%
David Jamison	Mini-Mart	714,300	0.42%
		$29,426,594	17.14%

(1) Represents 17.14% of the District's 2018 Assessed Valuation of $171,698,764 used to levy 2017-18 taxes.

Source: District Officials

DISTRICT INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the District (and other municipalities and school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional and statutory limitations include the following, in summary form, and are generally applicable to the District and the Bonds.

Purpose and Pledge. The District shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The District may contract indebtedness only for a District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the period of probable usefulness of the object or purpose determined by statute; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the District has authorized the issuance of indebtedness having substantially level or declining annual debt service. The District is required to 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.

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, as has been noted under "Nature of Obligation", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the District to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the Education Law.

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds and notes in anticipation of the bonds. The District is not permitted to spend in excess of $100,000, with respect to certain school building construction projects, until the plans and specification for such project have been approved by the Commissioner of Education of the State.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution, together with a statutory form of notice which, in effect, stops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. The District has complied with such procedure with respect to the resolutions under which the Bonds are being issued.

The Board of Education, as the finance board of the District, has the power to enact tax anticipation note resolutions. Such resolutions may authorize the issuance of tax anticipation notes in an aggregate principal amount necessary to fund anticipated cash flow deficits but in no event exceeding the amount of real property taxes levied or to be levied by the District, less any tax anticipation notes previously issued and less the amount of such taxes previously received by the District.

The Board of Education, as the finance board of the District, also has the power to authorize the sale and issuance of bonds and notes, including the Bonds. However, such finance board may delegate the power to sell such bonds and notes to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

Debt Limit. Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York provided the aggregate amount thereof shall not exceed ten per centum of the full valuation of taxable real estate of the District and subject to certain enumerated exclusions and deductions such as State aid for building purposes. The constitutional and statutory method for determining full valuation consists of taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined by such authority.

Statutory Debt Limit and Net Indebtedness

The debt limit of the District is $27,910,960 as of June 6, 2018. This is calculated by taking 10% of the current full value of the taxable real property of the District.

TABLE 8
Statutory Debt Limit and Net Indebtedness

Total Full Valuation of Taxable Real Property	$ 279,109,600
Debt Limit (10% of Full Valuation)	$ 27,910,960
Outstanding Indebtedness (Principal Only):	
Serial Bonds	$ 18,865,000
Bond Anticipation Notes	8,000,000
Gross Indebtedness	$ 26,865,000
Less: Exclusions	
Building Aid Estimate (1)	$ 0
Total Net Indebtedness	$ 26,865,000
Net Debt-Contracting Margin	$ 1,045,960
Percentage of Debt-Contracting Margin Exhausted	96.25%

(1) The District has received, and expects to receive aid on the Bonds, State debt service building aid in an amount of approximately 94.2% of its outstanding bonded indebtedness. Given the effect of "assumed amortization" provided in Chapter 383 of the Laws of 2001, no assurance can be given regarding the direct or indirect effect of "assumed amortization" on the net indebtedness of the District, or the timing or amount of such Building aid in connection with school facilities financed with the proceeds of the Bonds. See "State Aid" herein.

Source: District Officials.

Remedies Upon Default

Section 99-b of the State Finance Law (the "SFL") provides for a covenant between the State of New York (the "State") and the purchasers and the holders and owners from time to time of the bonds and notes issued by school districts in the State for school purposes that it will not repeal, revoke or rescind the provisions of Section 99-b of the SFL, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Said section provides that in the event a holder or owner of any bond or note issued by a school district for school purposes shall file with the State Comptroller, a verified statement describing such bond or note and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the bond or note. Such investigation by the State Comptroller shall set forth a description of all such bonds of the school district found to be in default and the amount of principal and interest thereon past due.

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State Teachers' Retirement System, and (b) the principal of and interest on such bonds of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on the bonds shall be forwarded promptly to the paying agent or agents for the bonds in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds or notes. If any such successive allotments, apportionments or payment of such State aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds or notes pursuant to said section of the SFL.

Under current law, provision is made for contract creditors (including the Bondholders) of the 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 nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation servicing the public welfare and interest 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.

Remedies for enforcement of payment are not expressly included in the District's contract with holders of its bonds and notes although any permanent repeal by statute or constitutional amendment of a Bondholder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

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.

There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for such indebtedness."

The constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes, or bond anticipation notes.

No principal or interest payment on District indebtedness is past due. The District has never defaulted in the payment of the principal of and interest on any indebtedness.

Authorized but Unissued Indebtedness

The District currently has authorized expenditures of $10,900,000 which was approved by the voters on December 8, 2015. The District transferred $1,100,000 of voter approved Capital Reserve funds to the project after the vote to provide initial financing. The District has issued $8,000,000 against this authorization. The District has $1,800,000 of authorized and unissued indebtedness.

Short-Term Indebtedness

Following the Issuance, the District will have $7,570,000 of bond anticipation notes outstanding, which will mature on June 27, 2019.

Trend of Capital Indebtedness

The following table sets forth the amount of direct capital indebtedness outstanding for each of the last five fiscal years as of June 30 of each respective year.

TABLE 9
Direct Capital Indebtedness Outstanding
(For Fiscal Year Ending June 30)

	2013	2014	2015	2016	2017
Bonds	$14,235,000	$11,660,000	$9,420,108	$21,919,338	$18,915,530
BANs	18,125,000	17,690,000	16,115,000	0	8,000,000
Total	$32,360,000	$29,350,000	$25,537,123	$21,919,338	$26,915,530

Source: Audited Financial Statements of the District.

Overlapping and Underlying Debt

In addition to the District, other political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the District. The real property taxpayers of the District are responsible for a proportionate share of outstanding debt obligations of these subdivisions. Such taxpayers' share of overlapping and underlying debt is based on the amount of the District's equalized property values taken as a percentage of each separate unit's total values. The following table presents the amount of overlapping and underlying debt and the District's share of this debt. Authorized but unissued debt has not been included.

TABLE 10
Statement of Direct and Overlapping Indebtedness

Issuer	Net Debt Outstanding	Date of Report	District Share	Amount Applicable To District
Steuben County	$ 6,560,000	06/25/17	5.00%	$ 328,000
Village of Savona	2,738,452	05/31/17	100.00%	2,738,452
Town of Addison	0	12/31/16	2.41%	0
Town of Bath	0	12/31/16	14.02%	0
Town of Bradford	0	12/31/16	22.03%	0
Town of Cameron	53,554	12/31/16	0.83%	445
Town of Campbell	3,180,581	12/31/16	69.65%	2,215,274
Town of Erwin	14,571,644	12/31/16	0.52%	75,772
Town of Thurston	36,744	12/31/16	80.39%	29,538
Total Net Overlapping Debt				$ 5,387,481
Total Net Direct Debt				26,865,000
Net Direct and Overlapping Debt				$ 32,252,481

Source: Office of State Comptroller

Debt Ratios

The following table presents certain debt ratios relating to the District's direct and overlapping indebtedness.

TABLE 11
Debt Ratios

	Amount	Debt Per Capita (1)	Debt to Full Value (2)
Net Direct Debt	$26,865,000	$4,477	9.63%
Net Direct and Overlapping Debt	$32,252,481	$5,375	11.56%

(1) The population of the District is currently estimated by District Officials to be 6,000.
(2) The District's full value of taxable real property for fiscal year 2017-18 is $279,109,600.

Debt Service Schedule

The following table shows the debt service requirements to maturity on the District's outstanding bonded indebtedness (as of June 6, 2018).

TABLE 12
Bond Principal and Interest Maturity Table

Fiscal Year Ending June 30	Principal	Interest (1)	Total Debt Service (1)
2018	$2,260,000	$207,427	$2,467,427
2019	1,350,000	362,399	1,712,399
2020	1,370,000	335,399	1,705,399
2021	1,395,000	307,999	1,702,999
2022	1,420,000	280,099	1,700,099
2023	1,450,000	251,274	1,701,274
2024	1,485,000	221,394	1,706,394
2025	1,515,000	190,329	1,705,329
2026	1,555,000	158,169	1,713,169
2027	1,600,000	124,669	1,724,669
2028	1,125,000	88,294	1,213,294
2029	1,155,000	62,981	1,217,981
2030	1,185,000	35,550	1,220,550
Totals:	$18,865,000	$2,625,983	$21,490,983

(1) Columns may be off slightly due to rounding.

ECONOMIC AND DEMOGRAPHIC DATA

Population

The District estimates its population to be approximately 6,000. The following table presents population trends for the County and State, based upon recent census data. Data provided in the following table is not necessarily representative of the District.

TABLE 13
Population Trend

	2000	2010	Percentage Change 2000/2010
Steuben County	98,726	98,990	0.30%
NY State	18,976,457	19,378,102	2.10%

Source: US Census Bureau

Employment and Unemployment

Employment and unemployment data are not compiled for the District or the Town. The following tables provide information concerning employment and unemployment in the County and State. Data provided in the following tables is not necessarily representative of the District.

TABLE 14
Civilian Labor Force
(Thousands)

	2013	**2014**	**2015**	**2016**	**2017**
County	45.7	44.3	44.0	43.4	43.1
State	9,659.2	9,591.3	9,644.6	9,668.7	9704.7

Source: New York State Department Labor, Bureau of Labor Statistics

TABLE 15
Yearly Average Unemployment Rates

Year	County	State
2013	8.4%	7.7%
2014	6.9%	6.3%
2015	6.3%	5.3%
2016	5.8%	4.8%
2017	5.8%	4.7%

Source: New York State Department Labor, Bureau of Labor Statistics. Information not seasonally adjusted.

TABLE 16
Monthly Unemployment Rates

Month	**County**	**State**
May 2017	5.4%	4.4%
June	5.3%	4.6%
July	5.4%	4.9%
August	5.3%	4.9%
September	5.4%	4.7%
October	5.3%	4.4%
November	5.7%	4.4%
December	6.2%	4.4%
January 2018	7.3%	5.1%
February	7.4%	5.1%
March	6.8%	4.8%
April	5.8%	4.4%

Source: New York State Department of Labor, Bureau of Labor Statistics. Information not seasonally adjusted.

TABLE 17
Largest Employers

Name	**Type of Product or Service**	**Approximate Number of Employees**
Kraft General Foods, Inc.	Cheese Plant	440
Campbell-Savona CSD	Education	169
Austin's Construction	Construction	50
Town of Campbell	Local Government	25
King's Grocery	Grocery Store	9

Source: District Officials

LITIGATION

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

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

END OF APPENDIX A

APPENDIX B

SUMMARY OF FINANCIAL

STATEMENTS AND BUDGETS

CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT
General Fund
Balance Sheets
Fiscal Year Ended June 30:

	2016	2017
Assets:		
Unrestricted Cash	$763,642	$1,313,731
Restricted Cash	932,609	933,353
Due From Other Funds	512,355	310,334
State and Federal Aid	275,261	267,746
Due from Other Governments	847,232	900,958
Total Assets	$3,331,099	$3,726,122
Liabilities and Fund Balance:		
Accounts Payable	$121,322	$206,639
Accrued Liabilities	17,580	20,696
Due to Other Funds	4,117	0
Due to Other Governments	9,151	0
Due to Teachers' Retirement System	854,411	771,190
Due to Employees' Retirement System	53,760	55,171
Deferred Revenues	0	400
Total Liabilities	$1,060,341	$1,054,096
Fund Balance:		
Restricted	932,609	933,353
Assigned	511,821	414,725
Unassigned	826,328	1,323,948
Total Fund Balance	2,270,758	2,672,026
Total Liabilities and Fund Balance	$3,331,099	$3,726,122

Source: Audited Financial Statements
Summary not audited

CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Fiscal Year Ended June 30:

	2013	2014	2015	2016	2017
Revenues:					
Real Property Taxes and Tax Items	$4,782,816	$4,891,332	$4,973,460	$5,002,234	$5,048,636
Charges for Services	53,533	47,677	20,136	26,514	42,966
Use of Money & Property	147,414	131,935	87,414	86,085	87,900
Sale of Prop. & Comp. for Loss	92,989	14,768	60,481	1,935	42,058
Miscellaneous	406,151	477,056	455,160	406,072	401,228
State Aid	14,178,018	14,434,430	15,101,673	15,310,474	16,021,577
Federal Aid	82,554	47,975	80,550	92,457	97,388
Total Revenues	19,743,475	20,045,173	20,778,874	20,925,771	21,741,753
Expenditures:					
General Support	2,697,389	2,873,953	3,053,009	3,043,783	2,980,888
Instruction	8,902,305	9,214,736	9,184,210	9,348,109	9,427,956
Pupil Transportation	848,914	1,041,597	988,745	992,178	984,855
Employee Benefits	3,497,476	3,862,791	4,091,217	4,030,770	4,370,990
Debt Service	3,534,783	3,544,110	3,689,318	3,320,949	3,458,077
Total Expenditures	19,480,867	20,537,187	21,006,499	20,735,789	21,222,766
Excess of Revenues over expenditures	262,608	(492,014)	(227,625)	189,982	518,987
Other Uses:					
Interfund Transfers	(29,029)	(98,374)	(52,382)	(1,093,009)	(117,719)
Excess of revenue & other sources over Expenditures and other uses	233,579	(590,388)	(280,007)	(903,027)	401,268
Fund Balance - Beg. of Year	#REF!	4,044,180	3,453,792	3,173,785	2,270,758
Fund Balance - End of Year	$4,044,180	$3,453,792	$3,173,785	$2,270,758	$2,672,026

Source: Audited Financial Statements
Summary not audited

CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT
General Fund
Statement of Estimated Revenues and Budget Appropriations
Fiscal Year Ending June 30:

	Adopted Budget 2017-18	Adopted Budget 2018-19
Estimated Revenues:		
Real Property Tax	$4,910,414	$4,984,470
Payments in Lieu of Taxes	202,917	236,136
Real Property Tax Items	15,000	15,000
Charges for Services	20,175	15,975
Use of Money and Property	51,670	52,165
Sale of Property/Compensation for Loss	1,000	1,000
Miscellaneous	335,000	325,000
State Aid	16,115,822	16,488,000
Federal Aid	60,000	60,000
Interfund Transfers	0	0
Appropriated Fund Balance	325,000	61,742
Total Estimated Revenues	$22,036,998	$22,239,488
Appropriations:		
Administrative	$3,307,780	$3,325,659
Program	13,663,131	14,050,353
Capital	5,066,087	4,863,476
Total Appropriations:	$22,036,998	$22,239,488

Source: School District Officials

APPENDIX C

INDEPENDENT AUDITORS' REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2017

Can be accessed on the Electronic Municipal Market Access ("EMMA") website of the Municipal Securities Rulemaking Board ("MSRB") at the following link:

https://emma.msrb.org/ER1098792-ER859646-ER1260338.pdf

The audited financial statements referenced above are hereby incorporated into the attached Official Statement.

*** Such Financial Statements and opinion are intended to be representative only as of the date thereof. Buffamante Whipple Buttafaro, P.C. has not been requested by the District to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement.**