

PRELIMINARY OFFICIAL STATEMENT DATED JULY 12, 2017

**NEW ISSUE
NEW ISSUE**

**BOND ANTICIPATION NOTES
TAX ANTICIPATION NOTES**

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. See "Tax Matters" herein.

The District will not designate the Notes as "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Code.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
ROCKLAND COUNTY, NEW YORK**

\$15,000,000

**BOND ANTICIPATION NOTES FOR SCHOOL CONSTRUCTION - 2017
(the "Bond Anticipation Notes")**

Date of Issue: July 27, 2017

Maturity Date: July 27, 2018

and

\$10,000,000*

TAX ANTICIPATION NOTES FOR 2017 – 2018 TAXES

(the "Tax Anticipation Notes" and, collectively with the "Bond Anticipation Notes," the "Notes")

Date of Issue: July 27, 2017

Maturity Date: October 13, 2017

The Notes are general obligations of the Clarkstown Central School District, Rockland County, New York (the "District"), and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Bond Anticipation 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. The Tax Anticipation Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the District, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011, as amended (the "The Tax Levy Limit Law"). (See "Nature of the Obligation," "Legal Matters" and "The Tax Levy Limit Law," herein.)

The Notes will not be subject to redemption prior to maturity.

At the option of the purchaser(s), the Notes will be issued in (i) registered form registered in the name of the successful bidder(s) or (ii) registered book-entry form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC").

If the Notes are issued in registered form registered in the name of the successful bidder(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate(s). Principal of and interest on such Notes will be payable in federal funds by the District to the registered owner(s).

If the Notes are issued in book-entry form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in federal funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "Book-Entry-Only System" herein.)

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the respective final approving opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery in New York, New York or as otherwise agreed with the purchaser(s) on or about July 27, 2017.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE DISTRICT FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"). FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE NOTICE OF EVENTS AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKING" HEREIN.

Dated: July __, 2017

*Preliminary subject to change.

This Preliminary Offering Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Offering Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
ROCKLAND COUNTY, NEW YORK**

BOARD OF EDUCATION 2016-17

MICHAEL AGLIALOROPresident

TAMARA BIERKER..... Vice President

GEORGE BALLANE..... Board Member

ZIZETTE DEUTSCH..... Board Member

DARIN DIAMOND..... Board Member

DAVID GOSMAN Board Member

WALTER LITVAK..... Board Member

MARTIN D. COX Superintendent of Schools

JOHN LANAVE.....Assistant Superintendent/
Chief Administrative Officer

LUCY CROSBIE.....District Clerk

JASPAN SCHLESINGER LLP..... District Counsel

BOND COUNSEL

**Hawkins Delafield & Wood LLP
New York, New York**

MUNICIPAL ADVISOR



**Capital Markets Advisors, LLC
Hudson Valley * Long Island * Southern Tier * Western New York
(845) 227-8678**

No dealer, broker, salesman or other person has been authorized by the Clarkstown Central School District to give any information or to make any representations not contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates 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.

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**OFFICIAL STATEMENT
RELATING TO THE ISSUANCE OF
CLARKSTOWN CENTRAL SCHOOL DISTRICT
ROCKLAND COUNTY, NEW YORK**

relating to

**\$15,000,000
BOND ANTICIPATION NOTES FOR SCHOOL CONSTRUCTION - 2017
(the "Bond Anticipation Notes")**

**\$10,000,000*
TAX ANTICIPATION NOTES FOR 2017 – 2018 TAXES
(the "Tax Anticipation Notes" and, collectively with the "Bond Anticipation Notes," the "Notes")**

This Official Statement, which includes the cover page, the inside cover page and appendices, has been prepared by the Clarkstown Central School District in the County of Rockland, in the State of New York (the "District," "County," and "State," respectively), in connection with the sale of \$15,000,000 Bond Anticipation Notes for School Construction - 2017 (the "Bond Anticipation Notes") and \$10,000,000* Tax Anticipation Notes for 2017 – 2018 Taxes (the "Tax Anticipation Notes" and, collectively with the "Bond Anticipation Notes," 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. 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 of the Notes

The Notes will be dated and will mature on the date as reflected on the cover page hereof.

The Notes will not be subject to prior redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

Authority for and Purpose of the Bond Anticipation Notes

The Bond Anticipation Notes are issued pursuant to the Constitution and laws of the State, including among others, the Education Law and the Local Finance Law, and a bond resolution adopted by the Board of Education of the District on January 7, 2016, following approval of a proposition by a majority of the voters of the District present and voting at the Special District Meeting duly called and held on December 10, 2015, authorizing the issuance of \$36,161,198 serial bonds to finance the construction of infrastructure and other improvements to various District buildings.

*Preliminary subject to change.

Authority for and Purpose of the Tax Anticipation Notes

The Tax Anticipation Notes are issued pursuant to the Constitution and laws of the State, including Sections 24.00 and 39.00 of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of New York, and a tax anticipation note resolution adopted by the Board of Education of the District on June 15, 2017, to finance cash flow requirements in anticipation of the collection of 2017-2018 real property taxes levied or to be levied for school purposes on all taxable real property in the District. The proceeds of the Tax Anticipation Notes may be used only for the purposes for which such taxes were or are to be levied, as specified in the 2017-2018 annual budget of the District, unless all of said purposes have been paid and satisfied, in which case the proceeds of the Tax Anticipation Notes may be used for any lawful school purpose. The proceeds of the Tax Anticipation Notes will not be used for the redemption or renewal of any outstanding tax or revenue anticipation notes.

Pursuant to Section 24.00(e) of the Local Finance Law, generally, whenever the amounts of the Tax Anticipation Notes and any additional tax anticipation notes issued by the District in anticipation of the receipt of 2017-2018 real property taxes equals the amount of such taxes remaining uncollected, the District is required to set aside in a special bank account all of such uncollected taxes as thereafter collected, and to use the amounts so set aside only for the purpose of paying such notes. Interest on the Tax Anticipation Notes is provided for in the adopted 2017-2018 budget.

For a description of prior issues of tax anticipation notes and of projected issues of obligations for capital and operating purposes of the District, see “*District Indebtedness*,” herein.

Nature of the 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 interest thereon and, unless paid from other sources, the Bond Anticipation 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. The Tax Anticipation Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the District, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011, as amended (See “*Tax Levy Limit 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 for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the District’s power to increase its annual tax levy. As a result, the power of the District to levy real estate taxes on all the taxable real property within the District is subject to statutory limitations set forth in Tax Levy Limit Law, unless the District complies with certain procedural requirements to permit the District to levy certain year-to-year increases in real property taxes. (See “*Tax Levy Limit Law*” herein.).

REMEDIES UPON DEFAULT

Neither the Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Notes should the District default in the payment of principal of or interest on the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Notes upon the occurrence of any such default. The Notes are general obligation contracts between the District and the owners for which the faith and credit of the District are pledged and while remedies for enforcement of payment are not expressly included in the District’s contract with such owners, any permanent repeal by statute or constitutional amendment of a noteholder’s remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Notes at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the District. The present statute limits interest on the amount adjudged due to contract 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 serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such notes from funds lawfully available therefor or, in the absence thereof, to order the District to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the District and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on the Notes, the owners of such Notes could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the District to assess, levy and collect an ad valorem tax, upon all taxable property of the District subject to taxation by the District sufficient to pay the principal of and interest on the Notes as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Notes. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of Noteholders, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 41 N.Y.2d 644 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the District.

Pursuant to Article VIII, Section 2 of the State Constitution, the District is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically this constitutional provision states: "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 any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in the State is a pledge of an issuer of a general obligation note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

While the courts in the State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have generally upheld and sustained the rights of noteholders, such courts might hold that future events, including a financial crisis as such may occur in the State or in political subdivisions of the State, may require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

No Past Due Debt

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

Bankruptcy

The Federal Bankruptcy Code (Chapter IX) allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Title 6-A of the Local Finance Law specifically authorizes any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not become applicable in the future. As such, the undertakings of the District should be considered with reference, specifically, to Chapter IX, and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Bankruptcy proceedings by the District if authorized by the State in the future could have adverse effects on noteholders including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the District after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Notes.

The above references to said Chapter IX are not to be construed as an indication that the State will consent in the future to the right of the District to file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness or that the District is currently considering or expects to resort to the provisions of Chapter IX if authorized to do so in the future.

SECTION 99-B OF THE STATE FINANCE LAW

Section 99-b of the State Finance Law (the "SFL") provides for a covenant between 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 and notes 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 and notes 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 and notes shall be forwarded promptly to the paying agent or agents for the bonds and notes 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 and notes 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 and notes in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds and notes 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.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for any Notes issued as book-entry-only Notes. Such 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 note certificate will be issued for each Note bearing the same rate of interest and CUSIP and deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, 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 note (“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 notes 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 Money Market Instruments (MMI) Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District 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 District, 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, note 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, note certificates will be printed and delivered to DTC.

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

Source: The Depository Trust Company

**MARKET FACTORS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF
THE STATE**

There are certain potential risks associated with an investment in the Notes, and investors should be thoroughly familiar with this Official Statement, including its appendices, in order to make an informed investment decision. Investors should consider, in particular, the following factors:

The District's credit rating could be affected by circumstances beyond the District's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of District property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the District's credit rating could adversely affect the market value of the Notes.

If and when an owner of any of the Notes should elect to sell all or a part of the Notes prior to maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of the Notes. The market value of the Notes is dependent upon the ability of holder to potentially incur a capital loss if such Notes are sold prior to its maturity.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere 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. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the District to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The District is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received (“State Aid”). The District’s receipt of State aid may be delayed as a result of the State’s failure to adopt its budget timely and/or to appropriate State Aid to municipalities and school districts. Should the District fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys or by a reduction in State Aid or its elimination, the District is authorized pursuant to the Local Finance Law (“LFL”) to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the District will have market access for any such borrowing on a cost effective basis. The elimination of or any substantial reduction in State Aid would likely have a materially adverse effect upon the District requiring either a counterbalancing increase in revenues from other sources to the extent available or a curtailment of expenditures. (See also “*State Aid*” herein.)

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Bonds and the Notes, for income taxation purposes could have an adverse effect on the market value of the Notes (see “*Tax Matters*” herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District, without providing exclusion for debt service on obligations issued by municipalities and fire districts, may affect the market price and/or marketability for the Notes. (See “*The Tax Levy Limit Law*” herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the District could impair the financial condition of such entities, including the District and the ability of such entities, including the District to pay debt service on the Notes.

THE STATE COMPTROLLER’S FISCAL STRESS MONITORING SYSTEM AND OSC COMPLIANCE REVIEWS

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 (“OSC”) 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 "No Designation."

See the State Comptroller's official website for more information on FSMS. Reference to such website implies no warranty of accuracy of information therein.

The financial affairs of the District are subject to periodic compliance reviews by OSC to ascertain whether the District has complied with the requirements of various State and federal statutes. OSC recently reviewed the District and a report is expected in the near future.

LITIGATION

In common with other public school districts, the District from time to time receives various notices of claim and is a party to litigation. Unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no claims or actions pending which, all factors considered, would have an adverse material effect on the financial condition of the District.

Various property owners have filed tax certiorari claims under Article 7 of the Real Property Tax Law. These taxpayers assert that their property values, as determined by the Town Assessor, are excessive and request assessment reductions and, in most cases, a refund of any excess property taxes previously paid. It is not possible to provide a precise estimate of the District's ultimate financial exposure, but historically tax certiorari settlements have resulted in assessment reductions and related tax refunds for amounts substantially less than the original claims.

Regarding the largest tax payer, Eklecco Newco, LLC ("Eklecco"), the owner of the Palisades Center Mall (the Mall), the District, and the Town of Clarkstown (the Town) announced on July 29, 2013, that they had reached an agreement to settle the pending tax certiorari matters for tax years 2009/10 – 2013/2014. Pursuant to the terms of the agreement, tax refunds were made by the taxing entities, including the District. In addition, the assessed value of the Mall was reduced, and then was to be adjusted prospectively for a period of four years to generate an annual tax payment of approximately \$21 million, after which the assessment was to remain unchanged for an additional three years. During the life of the seven year agreement, Eklecco agreed not to challenge its assessment. Thus, the Mall, again, being the largest real property tax payer when aggregating all associated parcels, should be free of challenge for 7 years, from July 2013

Despite the above, the Mall in May 2016 filed tax certiorari challenges for the 2016 roll in clear violation of the "So Ordered" Settlement Agreement. The challenges profess to be based upon a claim that the Settlement Agreement did not accomplish the intended result, but not upon a claim of overvaluation. This is intended as a way to force the Town to lift a restrictive covenant which requires a public referendum if the leasable space within the Mall is to exceed a capped amount, as confirmed by a second challenge against the Town to that effect. . In the opinion of counsel, the Mall's legal position is weak and the challenge is not likely to have a material impact. The Town has retained Special Counsel to defend these challenges and the District is also defending the Settlement Agreement. The Town and District moved for summary judgement seeking dismissal of the challenge to the Settlement Agreement. Oral agreement was heard in November and a decision is awaited.

Tax certiorari payments, for 2016-17 totaled \$551,876 and compare to \$581,536.85 for 2015-16, \$478,404 for 2014-15 and \$629,867 for 2013-14, after excluding the above mentioned settlement of the Mall challenge, \$789,140 for 2012-13 and \$725,540 for 2011-12.

Pursuant to the Local Finance Law the District may issue obligations to finance tax certiorari refunds should the amount of the refunds exceed the amount on hand therefor. However, in the larger cases such refunds are usually subject to repayment over a 2 or 3 year period without interest.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. The Tax Certificate of the District (the “Tax Certificate”), which will be delivered concurrently with the delivery of the Notes will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the District in connection with the Notes, and Bond Counsel has assumed compliance by the District with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income pursuant to Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bond Counsel expresses no opinion regarding any other Federal or state tax consequences with respect to the Notes. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to its attention, or changes in law or in interpretations thereof that may hereafter occur, or for any other reason. Bond Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Notes, or under state and local tax law.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Notes, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance with such requirements may cause interest on the Notes to become includable in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The District, in executing the Tax Certificate, will certify to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral Federal income tax matters with respect to the Notes. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a Note. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the Notes.

Prospective owners of the Notes should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for Federal income tax purposes. Interest on the Notes may be

taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Note (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity means the first price at which a substantial amount of the Notes of that maturity was sold (excluding sales to bond houses, brokers, or similar persons acting in the capacity as underwriters, placement agents, or wholesalers). In general, the issue price for each maturity of the Notes is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel is of the further opinion that, for any Note having OID (a “Discount Note”), OID that has accrued and is properly allocable to the owners of the Discount Notes under Section 1288 of the Code is excludable from gross income for Federal income tax purposes to the same extent as other interest on the Notes.

In general, under Section 1288 of the Code, OID on a Discount Note accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Note. An owner’s adjusted basis in a Discount Note is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Note. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Note even though there will not be a corresponding cash payment.

Owners of Discount Notes should consult their own tax advisors with respect to the treatment of original issue discount for Federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Notes.

Note Premium

In general, if an owner acquires a Note for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Note after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “note premium” on that Note (a “Premium Note”). In general, under Section 171 of the Code, an owner of a Premium Note must amortize the note premium over the remaining term of the Premium Note, based on the owner’s yield over the remaining term of the Premium Note, determined based on constant yield principles (in certain cases involving a Premium Note callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Note). An owner of a Premium Note must amortize the note premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the note premium allocable to that period. In the case of a tax-exempt Premium Note, if the note premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Note may realize a taxable gain upon disposition of the Premium Note even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Notes should consult their own tax advisors regarding the treatment of note premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of note premium on, sale, exchange, or other disposition of Premium Notes.

Information Reporting and Back Up Withholding

Information reporting requirements apply to interest on tax-exempt obligations, including the Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing

purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Notes from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s Federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Notes under Federal or state law or otherwise prevent beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Notes.

Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES

Absence of Litigation

Upon delivery of the Notes, the District shall furnish certificates of the School Attorney, dated the date of delivery of the Notes, to the effect that there is no controversy or litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Notes, and further stating that there is no controversy or litigation of any nature now pending or threatened by or against the District wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the District or adversely affect the power of the District to enforce the collection of revenues for the payment of its Notes, which has not been disclosed in this Official Statement.

Legal Matters

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the respective approving legal opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. Bond Counsel’s opinion will be in substantially the form attached hereto as Appendix D.

Closing Certificates

Upon the delivery of the Notes, the purchasers will be furnished with the following items: (i) Certificates 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; (ii) Certificates signed by an officer of the District evidencing payment for the Notes; (iii) Signature Certificates 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 delivery 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 signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Notes have been repealed, revoked or

rescinded; and (iv) Tax Certificates signed by the President of the Board of Education as described under “*Tax Matters*” herein.

DISCLOSURE UNDERTAKING

This Official Statement is in a form “deemed final” by the District for the purposes of Securities and Exchange Commission Rule 15c2-12 (the “Rule”). In order to assist the purchasers in complying with the Rule with respect to the Notes, the District will execute an Undertaking to Provide Notices of Events for the benefit of holders of and owners of beneficial interests in the Notes, the form of which is attached hereto as Appendix E to this Preliminary Official Statement.

Compliance History

Since 2007, there have been in excess of 50 rating actions reported by Moody’s Investors Service, Standard & Poor’s Rating Corporation and Fitch Ratings affecting the municipal bond insurance companies, some of which had insured bonds previously issued by the District. Due to widespread knowledge of these rating actions, material event notices were not filed by the District in each instance.

In 2012, the District issued refunding bonds which closed on February 16, 2012. The required material event for defeasances was not filed within 10 days of the closing of the bond issue as it was filed on April 17, 2012.

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC, Hopewell Junction, New York, (the “Municipal Advisor”) is an independent municipal advisor registered with the United States Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor has served as the independent financial advisor to the District in connection with this transaction.

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. 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 not a law firm and does not provide legal advice with respect to this or any debt offerings of the District. 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.

RATING

The District did not apply for a rating of the Notes.

The District’s outstanding uninsured bonds are assigned a rating of “Aa2” by Moody’s Investors Service, Inc. (“Moody’s”).

Such rating reflects only the view of such organization, and an explanation of the significance of such rating should be obtained only from Moody’s at the following address: Moody’s Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. There can be no assurance that such rating will continue for any specified period of time or that such rating will not be revised or withdrawn, if in the judgment of Moody’s circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from John LaNave, Assistant Superintendent/Chief Administrative Officer, 62 Old Middletown Road, New City, New York 10956, (845) 639-5620, e-mail: financialservices@ccsd.edu or from the District’s Municipal Advisor, Capital Markets Advisors, LLC, 1075 Route 82 – Suite 4, Hopewell Junction, New York 12533, (845) 227-8678.

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 purchasers or holders of any 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, LLC 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, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC 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, LLC and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

CLARKSTOWN CENTRAL SCHOOL DISTRICT
ROCKLAND COUNTY, NEW YORK

By: _____
Michael Aglioloro
President of the Board and Chief Fiscal Officer

DATED: July ___, 2016

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APPENDIX A

THE DISTRICT

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THE DISTRICT

General Information

The Clarkstown Central School District encompasses approximately 26 square miles in Rockland County and is located about 25 miles north of New York City. The District includes New City, the seat of Rockland County, and various portions of the unincorporated communities of West Nyack, Congers, Bardonia, Germonds, New City Park, Centenary and Rockland Lake.

The District is primarily suburban-residential in character. Shopping and commercial centers include New City and West Nyack. There is extensive commercial and industrial development in the New York State Thruway Access area. Additional shopping areas are located in Nanuet, Nyack, Spring Valley, Haverstraw, Suffern and Pearl River, all within easy driving distance.

Transportation is provided by Red and Tan Lines, Inc. which offers commuter bus service to New York City. Red & Tan is an independently owned and managed member of the Coach USA family which is a subsidiary of Stagecoach Group. Rail service is available by Metro North. Major airline service is available at JFK, LaGuardia, Newark Liberty International and Stewart Airports, all of which can be reached within one hour by car.

Electricity and natural gas are provided throughout the District by Orange and Rockland Utilities. Water services are provided by Suez Water Company. The Town of Clarkstown provides sanitary sewer services and police protection to District residents. Fire protection is provided by the New City, Congers, Rockland Lake and West Nyack Fire Districts.

District Organization

The Clarkstown Central School District is an independent entity governed by an elected board of education comprised of seven members. District operations are subject to the provisions of the State Education Law affecting school districts; other statutes applicable to the District include the General Municipal Law, the Local Finance Law and the Real Property Tax Law.

Members of the Board of Education are chosen on a rotating basis by qualified voters at the annual election of the District. The term of office for each board member is three years and the number of terms that may be served is unrestricted. A president is selected by the board from its members and also serves as the chief fiscal officer of the District. The Board of Education is vested with various powers and duties as set forth in the Education Law. Among these are the adoption of annual budgets (subject to voter approval), the levy of real property taxes for the support of education, the appointment of such employees as may be necessary, and other such duties reasonably required to fulfill the responsibilities provided by law. (See "*The Tax Levy Limit Law*," herein).

The Board of Education appoints the Superintendent of Schools who serves at the pleasure of the Board. Such Superintendent is the chief executive officer of the District and the education system. It is the responsibility of the Superintendent to enforce all provisions of law and all rules and regulations relating to the management of the schools and other educational, social and recreational activities under the direction of the Board of Education. Also, certain of the financial functions of the District are the responsibility of the Assistant Superintendent of Business/Chief Administrative Officer.

Financial Organization

Pursuant to the Local Finance Law, the President of the Board of Education 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, Assistant Superintendent/Chief Administrative Officer and the District Clerk.

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 are available for public inspection upon request.

Budgetary Procedure

The District’s fiscal year begins on July 1 and ends on June 30. Starting in the fall or winter of each year, the District’s financial plan and enrollment projection are reviewed and updated and the first draft of the next year’s proposed budget is developed by the central office staff. During the winter and early spring the budget is refined in conjunction with the school building principals and department supervisors. The District’s budget is subject to the provisions of the Tax Levy Limit Law, which imposes a limitation on the amount of real property taxes that a school district may levy, and by law is submitted to voter referendum on the third Tuesday of May each year. (See “*The Tax Levy Limit Law*” herein).

During the past several years, budgets submitted by the District to qualified voters received overwhelming community support as indicated in the following chart.

Fiscal Year	Percentage of District Voters Supporting Budget
2013-2014	69.56
2014-2015	78.57
2015-2016	79.30
2016-2017	71.29
2017-2018	78.29

The Budget for the 2017-18 fiscal year was approved by a majority of the voters of the District on May 16, 2017. See Appendix B for a summary of the 2017-18 budget.

School Enrollment Trends

Enrollment History

School Year	Grades K-5	Grades 6-8	Grades 9-12	Total Enrollment
2011-12	3,694	2,157	3,137	8,988
2012-13	3,660	2,141	3,061	8,862
2013-14	3,496	2,085	2,981	8,562
2014-15	3,448	2,074	2,945	8,467
2015-16	3,313	1,981	2,855	8,149
2016-17	3,326	1,968	2,814	8,108

Source: District Records.

Enrollment Projections

School Year	Grades K-5	Grades 6-8	Grades 9-12	Total Enrollment
2017-18	3,124	1,805	2,693	7,622
2018-19	3,087	1,798	2,592	7,477
2019-20	3,110	1,751	2,825	7,389

Source: District Projections.

District Facilities

The District presently operates nine elementary schools, one middle school, two high schools, one special education school, an administration center and a transportation facility. The District recently closed Congers Elementary School in response to declining enrollment and structural damage and is repurposing the facility, which after repairs, is expected to provide for operations of the Community Learning Center and the Child Care and Early Learning Center.

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year Built</u>
Bardonia Elementary School	K-5	800	1956, additions in 1960, 1971, 1985
Lakewood Elementary School	K-5	600	1968, additions in 1985, 1999
Laural Plains Elementary School	K-5	800	1960, additions in 1971, 1985, 2004
Link Elementary School	K-5	800	1964, addition in 1985, 2002, 2004
Little Tor Elementary School	K-5	600	1960, addition in 1985
New City Elementary School	K-5	800	1956, additions in 1971, 1985
Strawtown Elementary School	K-5	600	1972, addition in 1985
West Nyack Elementary School	K-5	600	1956, additions in 1960, 1985, 2004
Woodglen Elementary School	K-5	800	1968, addition in 1985 1999
Felix V. Festa Middle School	6-8	2,700	1963, additions in 1964, 1985, 1995, 2004
Senior High, North	9-12	2,000	1954, additions in 1960, 1961, 1985, 2005
Senior High, South	9-12	2,300	1972, addition in 1985, 2004
Birchwood School (Special Ed.)	K-12	85 (1)	1960, addition in 1985
Chestnut Grove Administration	--	60	1933, additions in 1937, 1956, 1996
Transportation Facility	--	--	1963, addition in 1996
Congers School	(2)	600	1927, additions in 1956, 1985, 2015

(1) Currently at capacity for special needs students.
 (2) Child Care and Early Learning Center.
 Source: District Records.

District Employees

<u>Employees By Category</u>	<u>Classification</u>	<u>FTE (1) Employees</u>
Administration:		<u>393.0</u>
Faculty:	Elementary	250.2
	Secondary	405.5
	Birchwood	23.6
	Other	41.6
		<u>720.9</u>
Non-Professional: (2)	Teaching Assistants	236.9
	Clerical	70.2
	Food Service	60.0
	Maintenance	150.5
	Transportation	146.0
	Security	32.0
	Nurses	20.4
	Other - Bargaining	8.0
	Counselors	13.1
	Other – Non Bargaining	44.1
		<u>781.2</u>
	Total Employees	<u><u>1,895.1</u></u>

(1) Full time equivalent.
 (2) Includes part-time and full-time employees.
 Source: District Officials.

Employees

<u>Employees Represented</u>	<u>Union Representation</u>	<u>Contract Expiration Date</u>
33	Clarkstown Administrators Association	06-30-2018
760	Clarkstown Teachers Association	06-30-2019
146	Clarkstown School Bus Drivers Association	08-31-2019
60	Clarkstown Food Service Union	06-30-2020
156	Clarkstown School Buildings & Group Empl. Assoc.	06-30-2019
22	Clarkstown Registered (School) Nurses Assoc. of CSEA Local 1000	06-30-2019
80	Clarkstown Educational Secretaries Assoc.	06-30-2019
236	Clarkstown Teaching Assistants Assoc.	06-30-2019
8	Clarkstown Support Services	06-30-2019
13	Student Assistance Counselors Association	06-30-2019
33	Security Aides	06-30-2019

Employee Benefits

New York State Certified employees (teachers and administrators) are members of the New York State Teachers Retirement System (“TRS”). Payments to the TRS are generally deducted from State aid payments. All non-NYS certified/civil service employees of the 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 State and Local Employee’s Retirement System (“ERS”). Both the TRS and ERS are non-contributory with respect to members hired prior to July 1, 1976. Other than as discussed below, all members of the respective systems hired on or after July 1, 1976 with less than 10 year’s full-time service contribute 3% (ERS) or 3.5% (TRS) of their gross annual salary toward the cost of retirement programs.

On December 10, 2009 a new Tier V was signed into law. The law is effective for new ERS and TRS employees hired after January 1, 2010 and on or before April 1, 2012. Tier V ERS employees will contribute 3% of their salaries and TRS employees will contribute 3.5% of their salaries. There is no provision for these contributions to cease after a certain period of service.

On March 16, 2012, Governor Cuomo signed into law Chapter 18 of the Laws of 2012, which legislation provides for a new Tier VI for employees hired on or after April 1, 2012. The new pension tier has progressive contribution rates between 3% and 6% with no provision for these contributions to cease after a certain period of service; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under Tier VI, the pension multiplier will be 1.75% for the first 20 years of service and 2% thereafter; vesting will occur after 10 years; the time period for calculation of final average salary is increased from three years to five years; and the amount of overtime to be used to determine an employee’s pension is capped at \$15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. It also includes a voluntary, portable, defined contribution plan option for new non-union employees with salaries of \$75,000 or more.

Pension reform legislation enacted in 2003 and 2004 changed the cycle of ERS billing to match budget cycles of the District. The reform legislation also 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 otherwise make a lower contribution possible.

Due to prior poor performance of the investment portfolio of TRS and ERS, the employer contribution rates for required pension contributions to the TRS and ERS in 2011 and certain subsequent years have increased. To help mitigate the impact of such increases, legislation was enacted to permit school districts to amortize a portion of the contributions to the ERS only. Under such legislation, school districts that choose to amortize will be required to set aside and reserve funds with the ERS for certain future rate increases. The District has not and does not reasonably expect to amortize such contributions in the immediate future.

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. 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 TRS SCO deferral plan is available to school districts for a total of seven 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 reasonably expect to participate in the ERS or TRS SCO program.

Retirement Billing Procedures

TRS. TRS contributions are paid as a reduction in State aid payments due September 15, October 15 and November 15 of the succeeding fiscal year. Any deficiency or excess in TRS contributions are settled on a current basis in the month of January.

ERS. The District’s contributions to ERS are due on or before February 1. Such contributions are based on salary estimates for the State fiscal year ending on March 31 of the next calendar year.

The amounts contributed to ERS and TRS for the last five fiscal years ended and as budgeted for the two most recent fiscal years are as follows:

Fiscal Year Ended June 30:	ERS	TRS
2012	\$2,929,084	\$8,747,625
2013	3,554,920	9,604,094
2014	4,398,243	13,850,902
2015	4,034,872	14,482,616
2016	3,694,488	11,058,451
2017	3,468,550	10,785,863
2018 (Budget)	3,266,781	9,162,137

Source: Audited Financial Statements and Adopted Budget of the District. Summary itself is not audited. See “Note 3 – Pension Plans- Notes to the Financial Statements” in the audited financial report.

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.

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 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

Under GASB 45, based on actuarial valuation, an annual required contribution (“ARC”) will be determined for each state or local government. 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 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 liabilities actually be funded, only that the District account for its unfunded accrued liability and compliance in meeting its ARC.

Actuarial valuation will be required every two years for the District. The District is in compliance with the requirements of GASB 45. The District has determined that its unfunded actuarial accrued liability (“UAAL”) for OPEB as of July 1, 2015 was \$157,302,373 and the District’s ARC was \$14,831,493.

Should the District be required to fund its unfunded actuarial accrued OPEB liability, it could have a material adverse impact upon the District’s finances and could force the District to reduce services, raise taxes or both. At the present time, however, there is no current or planned requirement for the District to partially fund its actuarial accrued OPEB liability. At this time, New York State has not developed legislation or guidelines for the creation and use of reserve funds or irrevocable trusts for the funding of OPEB. The District continues funding the expenditure on a pay-as-you-go basis.

Legislation was introduced last year in the State Legislature to authorize local governments and other public entities to establish trusts to accumulate and disburse funds through governing board appropriation for payment of OPEB liabilities. This legislation would authorize the establishment of a trust by resolution of the local government’s governing body which would serve as the trustee (unless trustee authority is delegated to the local government’s chief fiscal officer). Trust investments would be held by the State Comptroller as sole custodian for investment in accordance with the written investment policy developed by the trustee and the written agreement between the trust and the State Comptroller. Trust funds would not be subject to local government creditor claims, and local government officers would not be subject to liability for loss on investments in the trust. The District can’t predict whether the bill will be enacted into law.

Investment Policy

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.

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 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

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GASB 45 does not require that the unfunded liabilities actually be funded, only that the District account for its unfunded accrued liability and compliance in meeting its ARC.

Actuarial valuation will be required every two years for the District. The District is in compliance with the requirements of GASB 45. The District has determined that its unfunded actuarial accrued liability (“UAAL”) for OPEB as of July 1, 2015 was \$157,302,373 and the District's ARC was \$14,831,493.

Should the District be required to fund its unfunded actuarial accrued OPEB liability, it could have a material adverse impact upon the District’s finances and could force the District to reduce services, raise taxes or both. At the present time, however, there is no current or planned requirement for the District to partially fund its actuarial accrued OPEB liability. At this time, New York State has not developed guidelines for the creation and use of reserve funds or irrevocable trusts for the funding of OPEB. The District continues funding the expenditure on a pay-as-you-go basis.

Legislation was introduced last year in the State Legislature to authorize local governments and other public entities to establish trusts to accumulate and disburse funds through governing board appropriation for payment of OPEB liabilities. This legislation would authorize the establishment of a trust by resolution of the local government’s governing body which would serve as the trustee (unless trustee authority is delegated to the local government’s chief fiscal officer). Trust investments would be held by the State Comptroller as sole custodian for investment in accordance with the written investment policy developed by the trustee and the written agreement between the trust and the State Comptroller. Trust funds would not be subject to local government creditor claims, and local government officers would not be subject to liability for loss on investments in the trust. The District can’t predict whether the bill will be enacted into law.

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, 2016 is contained in Appendix B. As reflected in Appendix B, the District derives the bulk of its annual revenues from a tax on real property. Capital improvements are generally financed by the issuance of bonds, bond anticipation notes, the use of funds reserved for capital improvements or annual budget appropriations.

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). Chapter 97 of the Laws of 2011, as amended, imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the District. (See “*The Tax Levy Limit Law*” herein).

The following table sets forth total general fund revenues and real property tax revenues during the last five audited fiscal years and as budgeted for two most recent fiscal years is as follows.

Property Taxes

<u>Fiscal Year</u>	<u>Total Revenues ⁽¹⁾</u>	<u>Real Property Taxes ⁽²⁾</u>	<u>Real Property Taxes To Revenues</u>
2012	\$171,877,084	\$141,966,918	82.6%
2013	175,170,783	145,312,102	83.0
2014	183,564,333	151,817,175	82.7
2015	187,430,427	154,986,281	82.7
2016	191,874,206	157,653,822	82.2
2017	195,518,048	157,302,018	80.5
2018 (Budget)	200,548,605	160,305,120	79.9

(1) General Fund only.
 (2) Inclusive of Other Tax Items, which represents STAR tax payments made to the District by the State. (See “STAR - School Tax Exemption,” herein).

Source: Audited Financial Statements and Adopted Budgets of the District. This summary is not audited.

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute.

The following table sets forth total general fund revenues and State aid revenues during the last five fiscal years, and the amount budgeted for the two most recent fiscal years.

State Aid

<u>Fiscal Year Ended June 30:</u>	<u>General Fund Revenues</u>	<u>State Aid ⁽¹⁾⁽²⁾</u>	<u>State Aid to Revenue</u>
2012	\$171,877,084	\$24,362,124	14.2%
2013	175,170,783	25,437,113	14.5
2014	183,564,333	27,260,785	14.8
2015	187,430,427	28,238,354	15.0
2016	191,874,206	29,746,454	15.5
2017	195,518,048	31,982,030	16.4
2018 (Budget)	200,548,605	33,229,082	16.6

(1) Includes Federal aid.
 (2) Includes grant for universal pre-kindergarten.
 Source: Audited Financial Statements and Adopted Budgets of the District. This summary is not audited.

In addition to the amount of State Aid budgeted annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program (see “STAR-School Tax Exemption”). The District expects to receive timely STAR aid from the State for the current fiscal year.

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 availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or other circumstances including State fiscal stress. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore.

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

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

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

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

Events Affecting New York School Districts

The recent history of state aid to school districts in the State for the last five years is as follows:

School district fiscal year (2013-2014): 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 (2014-2015): The State Legislature adopted the State budget on March 31, 2014. The budget included an increase of \$1.1 billion in State aid for school districts.

The Smart Schools Bond Act was passed as part of the Enacted 2014-2015 State Budget. The Smart Schools Bond Act authorizes the issuance of \$2 billion of general obligation bonds to finance improved educational technology and infrastructure to improve learning and opportunity for students throughout the State. The District's estimated allocation of funds is \$2,806,902.

School district fiscal year (2015-2016): The State Legislature adopted the State budget on March 31, 2015. The budget includes an increase of \$1.4 billion in State aid for school districts that is tied to changes in the teacher evaluation and tenure process. School districts were required to obtain approval of their revised teacher evaluation plans by November 15, 2015 in order to receive their allotted increase in State aid.

School district fiscal year (2016-2017): 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 Governor's 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.

School district fiscal year (2017-2018): The State's 2017-2018 Enacted Budget provides for school aid of approximately \$25.8 billion, an increase of \$1.1 billion in school aid spending from the 2016-2017 school year. The majority of the increases have been targeted to high need school districts. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continues to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. In addition, the State 2017-18 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the Federal government are less than what was expected. The Legislature then will have 90 days to approve the Governor's plan.

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. (See also “*Market Factors*” herein).

Other Revenues

In addition to property taxes and State Aid, the District receives other revenues from miscellaneous sources as shown in Appendix B.

Independent Audits

The District retained the firm of PKF O'Connor Davies, LLP, Certified Public Accountants, to audit its financial statements for the five fiscal years ended June 30, 2016. The firm of R.S. Abrams LLP has been retained to complete the District’s audit for the fiscal year ended June 30, 2017. Appendix B, attached hereto, presents excerpts from the District's most recent audited reports covering the last five fiscal years. Appendix C contains a link to the last fiscal year audit.

In addition, the District is subject to audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State. See “*The State Comptroller’s Fiscal Stress Monitoring System and Compliance Reviews*” herein.

REAL PROPERTY TAXES

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

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Real Property Tax Assessments and Rates

Real Property Tax Assessments, Rates and Collections
Fiscal Year Ending June 30:

Fiscal Year Ending June 30:	Assessed Valuation	State Equalization Rate	Full Valuation	Tax Rate Per \$1,000 Assessed Valuation (1)	Gross Tax Levy (1)
2012 (H)	2,178,342,248	32.25	8,690,238,465	45.82	141,540,050
(NH)	624,259,657			66.84	
2013 (H)	2,179,618,587	32.50	8,637,334,409	46.79	144,894,548
(NH)	627,515,096			68.39	
2014 (H)	2,180,589,826	34.00	8,095,389,168	47.47	151,110,524
(NH)	571,842,491			83.23	
2015 (H)	2,180,971,400	34.00	8,013,936,194	49.60	154,271,359
(NH)	543,766,906			84.76	
2016 (H)	2,179,508,837	33.00	8,239,436,221	49.33	157,111,218
(NH)	539,505,116			91.94	
2017 (H)	2,187,157,329	33.25	8,183,628,953	48.62	157,302,018
(NH)	533,899,298			95.47	

(H) = Homestead
 (NH) = Non-Homestead
 (1) Exclusive of library tax levy.
 Source: Town Assessor, ORPTS and 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. However, Chapter 97 of the Laws of 2011, as amended, imposes a statutory limit on the amount of real property taxes that a school district may levy. (See “*The Tax Levy Limit Law*” herein.)

The Tax Levy Limit Law

Chapter 97 of the Laws of 2011, as amended, (herein referred to as the “Tax Levy Limit Law” or “Law”) modified previous law by imposing a limit on the amount of real property taxes that a school district may levy. Prior to the enactment of the Law, there was no statutory limitation on the amount of real property taxes that a school district could levy 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 could either have presented a revised budget for voter approval or adopted 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”).

The Tax Levy Limit Law imposes a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the consumer price index, as described in the Law. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy increase in excess of the limit. In the event the voters reject the budget, or a subsequent resubmitted budget, the tax levy for the school district’s budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year.

The Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures (such as the Bond Anticipation Notes) and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Law. However, such exclusion does NOT apply to taxes to pay debt service on tax anticipation notes (such as the Tax Anticipation Notes), revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments. (See “*Nature of Obligation*” herein).

On February 20, 2013, the New York State United Teachers (“NYSUT”) and several individuals filed a lawsuit in State Supreme Court in Albany County seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a justice of the New York State Supreme Court dismissed each of NYSUT’s causes of action but granted NYSUT’s motion to amend the complaint. NYSUT subsequently served a second amended complaint seeking a preliminary injunction and challenging the Tax Levy Limitation Law as violative of the Education Article of the New York State Constitution, the Equal Protection and Due Process clauses and the First Amendment. On March 16, 2015 a New York State Supreme Court Justice denied NYSUT’s motion for a preliminary injunction and dismissed all causes of action contained in NYSUT’s second amended complaint. NYSUT appealed the decision to continue its challenge to the constitutionality of the Tax Levy Limitation Law. On May 5, 2016 the Appellate Division upheld the lower court dismissal, noting that while the State is required to provide the opportunity of a sound basic education, the Constitution “does not require that equal educational offerings be provided to every student”, and further noted “the legitimate government interest of restraining crippling property tax increases”. Press reports indicate that NYSUT is reviewing the decision and is likely to appeal to the Court of Appeals.

Real Property Tax Rebate

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

Certain additional restrictions on the amount of the personal income tax credit were set forth in Chapter 59 in order for the tax cap to qualify as one which would have provided the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount was increased in the second year if compliance occurred in both taxable years.

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

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

While the provisions of Chapter 59 did not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they did provide an incentive for such tax levies to remain with the tax cap limits established by the Tax Levy Limit Law. The District complied with the provisions of Chapter 59 and its taxpayers received the rebates provided in 2015 and 2016.

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

Tax Collection Procedures

The real property taxes of the District are collected by the office of the Town Clerk of Clarkstown. Such taxes are due and payable on September 1, but may be paid without penalty through September 30. There are additional penalties upon taxes paid during October. By November 15, uncollected school taxes are reported to the County for collection and payment, and by April 1 the County is required to pay the full amount of such taxes to the District. Additionally, the County remits to the District between November 15 and April 1, monies which it has received from the State constituting school tax levies upon State land within the District. 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 in order to reimburse any uncollected taxes to the District.

The District is not responsible for the collection of taxes of any other unit of government. The Town of Clarkstown collects the library taxes for the New City Library and West Nyack Library, which are forwarded to the District and then paid by the District to the respective libraries.

STAR - School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of \$86,000 or less, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first \$65,300 for the 2016-17 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$500,000 are eligible for a \$30,000 "full value" exemption on their primary residence. School districts receive full reimbursement from the State for real property taxes exempted pursuant to the STAR program by the first business day in January of each year.

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

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

Approximately 9.179% of the District's 2016-17 school tax levy was exempted by the STAR program and the District has received full reimbursement of such exempt taxes from the State. Approximately 9% of the District's 2017-18 school tax levy was exempted by the STAR program and the District expects to receive full reimbursement of such exempt taxes from the State in January 2018 (See "*State Aid*" herein).

Ten of the Largest Taxpayers

2016-2017 Fiscal Year

<u>Taxpayer</u>	<u>Classification</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation ⁽²⁾</u>
Palisades Center	Mall	\$139,858,265	5.14%
State of New York	State Parklands/Properties	70,068,996	2.58
Orange & Rockland	Public Utility – Gas& Electric	52,208,023	1.92
United Water New York	Public Utility – Water	41,220,840	1.51
DP 57 LLC ⁽¹⁾	Distribution Center/Warehouse	6,715,000	0.25
180 New City Realty LLC	Retail Shopping Plaza	6,070,900	0.22
Bridon Realty Co. LLC ⁽¹⁾	Retail Shopping Plaza	6,058,000	0.22
Verizon New York	Telephone Company	5,916,405	0.22
Newton Associates LLC ⁽¹⁾	Retail Shopping Plaza	5,026,700	0.18
KS Property LLC	Warehouse	4,178,800	0.15
Total		<u>\$337,321,929</u>	<u>12.40%</u>

(1) Taxpayer has open tax certiorari claim (See “Litigation” for a general discussion of such matters).

(2) Total assessed value for the 2016-17 fiscal year is \$2,721,056,627, inclusive of homestead and non-homestead properties

DISTRICT INDEBTEDNESS

Constitutional Requirements

The New York State Constitution and Local Finance Law limit the power of the District (and other municipalities and school districts of the State) to issue obligations and to contract indebtedness. Such constitutional and statutory limitations include the following, in summary form, and are generally applicable to the District and the Notes:

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 (such as the Tax Anticipation Notes) 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 periods of probable usefulness of the objects or purposes determined by statute or the weighted average period of probable usefulness of the several objects or purposes contracted therefor; 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, 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. There is no constitutional limitation on the amount that may be raised by the District by tax on

real estate in any fiscal year to pay principal of and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the power of the District to increase its annual tax levy. (See “*Nature of the Obligation*” and “*The Tax Levy Limit Law*” herein).

Statutory Procedure

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

The Board of Education, as finance board of the District, has the power to enact tax anticipation note resolutions. Such resolution 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 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. With respect to certain school building construction projects, the District is not permitted to spend in excess of \$100,000 for construction costs 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 Bond Anticipation Notes.

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 Notes. However, such finance board may delegate the power to sell the 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 following table sets forth the computation of the debt limit of the District and its debt contracting margin.

Full Valuation of Taxable Real Property	<u>\$8,183,628,953</u>
Debt Limit (10% of Full Valuation)	<u><u>\$818,362,895</u></u>

**Computation of Constitutional
Debt Contracting Limitation
As of July 2, 2017**

	<u>Amount</u>	<u>Percentage</u>
Debt Contracting Limitation:	<u>\$818,362,895</u>	<u>100.00%</u>
Gross Indebtedness ⁽¹⁾ :		
Serial Bonds	33,670,000	4.11
Bond Anticipation Notes	<u>0</u>	<u>0.00</u>
Total Gross Debt	33,670,000	4.11
Exclusions and Deductions ⁽²⁾	<u>-0-</u>	<u>0.00</u>
Net Indebtedness	<u>33,670,000</u>	<u>4.11</u>
Net Debt-Contracting Margin	<u><u>\$784,692,895</u></u>	<u><u>95.89%</u></u>

- (1) Does not include an energy performance contract lease outstanding in the amount of \$2,625,953 as of July 2, 2017.
(2) The District estimates that it will receive approximately \$15.6 million of State school building aid for outstanding capital debt. Such estimate, however, has not been certified by the State and, therefore, no deduction has been taken to compute the District's debt limit.

Tax Anticipation Notes

<u>Fiscal Year Ended June 30:</u>	<u>Issue Date</u>	<u>Amount of Issue</u>	<u>Maturity Date</u>	<u>Net Interest Cost</u>
2013	07-06-12	16,400,000	11-02-12	.1803
2014	08-06-13	15,500,000	11-06-13	.1680
2015	08-06-14	12,600,000	11-05-14	.0818
2016	09-09-15	10,000,000	11-05-15	.0800
2017	07-21-16	10,000,000	10-20-16	.5106

Revenue Anticipation Notes

The District has not issued Revenue Anticipation Notes since 1994.

Trend of Capital Debt

The following table sets forth the capital indebtedness outstanding at the end of each of the last five fiscal years.

	<u>Fiscal Year Ending June 30:</u>				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Bonded Indebtedness ⁽¹⁾	\$51,155,000	\$46,940,000	\$42,560,000	\$37,215,000	\$38,395,875
Bond Anticipation Notes	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>6,500,000</u>	<u>0</u>
Total Outstanding Indebtedness	<u><u>\$51,155,000</u></u>	<u><u>\$46,940,000</u></u>	<u><u>\$42,560,000</u></u>	<u><u>\$43,715,000</u></u>	<u><u>\$38,395,875</u></u>

- (1) Excludes refunded bonds.

Overlapping and Underlying Debt

In addition to the District, the following political subdivisions have the power to issue notes and to levy taxes or cause taxes to be levied on taxable real property in the District. The estimated net outstanding indebtedness (bonds and notes) of such political subdivisions, based on information furnished by such entities, but not independently verified, is as follows:

Statement of Direct and Overlapping Indebtedness
As of July 2, 2017

Gross Direct Indebtedness	\$33,670,000
Exclusions and Deductions	0
Net Direct Indebtedness	\$33,670,000

Overlapping Units	Date of Report	Net Outstanding Indebtedness	Percentage Applicable	Applicable Net Indebtedness
County of Rockland	03-14-17	\$495,912,879	22.72	\$112,671,406
Town of Clarkstown	08-30-16	109,804,541	66.24	72,734,528
Total				\$185,405,934

Source: County of Rockland and Office of the State Comptroller.

Debt Ratios

The following table sets forth certain debt ratios relating to the District's indebtedness as of July 2, 2017.

	Amount	Debt Per Capita (1)	Debt to Estimated Full Value (2)
Net Direct Debt	\$ 33,670,000	\$663	0.41%
Net Direct and Overlapping Debt	219,075,934	4,316	2.682

(1) The District's population is 50,756 according to 2015 Estimated Census information.
 (2) The District's full valuation of taxable real estate for fiscal Year 2016-17 is \$8,183,628,953.

Authorized and Unissued Debt

After the issuance of the Notes, the District will have \$17,761,198 of authorized and unissued debt for roof and boiler improvements at various buildings which it expects to issue over the next several years.

Debt Service Schedule

The following table presents the debt service requirements to maturity on the District's outstanding general obligation bonded indebtedness.

<u>Debt Service on Outstanding General Obligations:</u>				
Years Ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Cumulative % Principal Paid</u>
2018 ⁽¹⁾	\$ 4,920,000	\$ 1,265,975	\$ 6,185,975	14.61%
2019	5,090,000	1,067,844	6,157,844	29.73
2020	5,285,000	862,806	6,147,806	45.43
2021	5,510,000	646,863	6,156,863	61.79
2022	5,110,000	433,163	5,543,163	76.97
2023	3,605,000	244,438	3,849,438	87.67
2024	1,625,000	118,906	1,743,906	92.50
2025	395,000	55,144	450,144	93.67
2026	405,000	46,144	451,144	94.88
2027	415,000	36,919	451,919	96.11
2028	425,000	27,469	452,469	97.37
2029	435,000	17,250	452,250	98.66
2030	450,000	5,906	455,906	100.00
	<u>\$33,670,000</u>	<u>\$4,828,827</u>	<u>\$38,498,827</u>	

(a) As of July 2, 2017, the District has paid \$0 in principal and \$0 in interest due on serial bonds for the fiscal year ending June 30, 2018.

ECONOMIC AND DEMOGRAPHIC DATA

Population

The following table sets forth population statistics for the District, the Town of Clarkstown, the County and the State.

	Population Trend				
	<u>2000-2015</u>				
	<u>2000</u>	<u>2010</u>	<u>2015</u>	<u>% Change</u>	
				<u>2000-10</u>	<u>2010-15</u>
District	49,425	48,603	50,756	(1.7)%	4.4%
Town of Clarkstown	82,082	84,187	86,334	2.6	2.6
County	286,753	311,687	320,688	8.7	2.9
State	18,976,457	19,378,102	19,673,174	2.1	1.5

Source: U.S. Department of Commerce, Bureau of the Census.

Income

Per capita money income statistics are not available for the District as such. The smallest area for which such statistics are available, which includes the District, is the Town of Clarkstown. The data set forth below with respect to the Town is included for information only. It should not be inferred from the inclusion of such data in this Official Statement that the Town is necessarily representative of the District, or vice versa.

Per Capita Money Income

	<u>2010</u>	<u>2015</u>	<u>% Change</u>
Town	42,042	44,842	6.6%
County	34,304	34,647	1.0
State	30,948	33,236	7.4

Source: U.S. Department of Commerce, Bureau of the Census.

Employment

The following table presents average unemployment rates for the Town, County, State and the United States and may not be representative of the District.

Average Employed Civilian Labor Force 2000-2016

	<u>2000</u>	<u>2010</u>	<u>2016</u>	<u>% Change</u>	
				<u>2000-2010</u>	<u>2010-2016</u>
Town	43,800	40,400	42,200	(7.7)%	4.5%
County	139,300	138,800	146,100	(3.6)	5.3
State	8,718,700	8,769,700	9,121,300	0.6	4.0

Source: New York State Department of Labor.

Average Unemployment Rates

<u>Year</u>	<u>Town</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2012	7.0%	7.3%	8.5%	8.1%
2013	5.9	6.3	7.7	7.4
2014	4.9	5.1	6.3	6.2
2015	4.5	4.6	5.3	5.3
2016	4.1	4.2	4.8	4.9
2017: ⁽¹⁾				
Jan	4.1	4.3	4.9	5.1
Feb	4.3	4.5	5.0	4.9
Mar	3.9	4.0	4.4	4.6
Apr	3.9	3.9	4.2	4.1

(1) Monthly Rates. Rates not seasonally adjusted.

Source: New York State Department of Labor and U.S. Bureau of Labor Statistics.

Larger Commercial and Industrial Employers in the County

<u>Name</u>	<u>Industry or Business</u>	<u>Number of Employees</u>
Bon Secours Good Samaritan Hospital	Hospital	1,700
Nyack Hospital	Hospital	1,650
Hamaspik of Rockland County	Health Services	1,340
Wyeth-Ayerst Laboratories ⁽¹⁾	Pharmaceuticals	1,352
Rockland Psychiatric Center	Health Care	1,231
Jawonio, Inc.	Health Care	1,050
Nice-Pak Products, Inc.	Paper Manufacturing	960
Helen Hayes Hospital	Hospital	920
Verizon Wireless	Communications	850
Northern Services Group	Nursing Home	832
St. Dominic's Home	Nursing Home	820
Orange & Rockland Utilities	Public Utility	781
A & T Healthcare	Health Care	760
Camp Venture, Inc.	Health Services	675
ARC of Rockland	Health Care	650
Community Home Health&Aide Svc, Inc	Health Care	600
Lamont-Doherty Geological Observatory	Earth Sciences Research	560
Hudson Valley Dev Disabilities Services	Health Services	557
Novartis Pharmaceuticals Corp. ⁽²⁾	Pharmaceuticals	452
Par Pharmaceutical, Inc.	Pharmaceuticals	429
Chestnut Ridge Transportation, Inc.	Transportation	426
Rockland Bakery Inc.	Commercial	400
Nathan S. Kline Inst. for Psych. Research	Health Services	350
Friedwald Center for Rehab & Nursing	Health Services	340
Active International	Support Services	340

- (1) On October 15, 2009, Pfizer Pharmaceuticals ("Pfizer") acquired Wyeth-Ayerst Laboratories. Pfizer has begun to downsize its manufacturing operations at its Pearl River plant, which is located within the County. Pfizer plans on downsizing 1,250 jobs at its Pearl River plant by 2014. As of June 30, 2014, Pfizer employed 1,510 in the County.
- (2) In January 2014, Novartis Pharmaceuticals announced it will phase out its Suffern production plant over the next three years with the plant expected to be closed down completely in 2017. The company's decision to cease operations in the County is a direct result of patent expiration of one of Novartis's key medications, Diovan, which has led to an excess of manufacturing capacity globally and not reflective of local economic concerns. The County is working with Novartis Pharmaceuticals and the Rockland Economic Development Corporation to help displaced workers and find a buyer for the site.

Source: The Rockland County Official Statement dated April 20, 2016.

END OF APPENDIX A

APPENDIX B

**UNAUDITED SUMMARY OF BUDGETS, FINANCIAL STATEMENTS AND
CASH FLOW STATEMENTS**

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CLARKSTOWN CENTRAL SCHOOL DISTRICT
GENERAL FUND
BALANCE SHEET
UNAUDITED PRESENTATION

AS OF JUNE 30

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
ASSETS					
Cash	\$ 37,371,319	\$ 38,961,655	\$ 29,626,939	\$ 33,573,470	\$ 36,403,981
Investments	306	0	0	0	0
Accounts Receivable	94,297	598,362	20,894	9,183	47,315
State and Federal Aid Receivable	1,164,068	1,235,081	1,320,857	1,030,482	868,356
Due From Other Governments	1,816,079	1,081,636	868,893	904,271	1,445,537
Due From Other Funds	5,763,913	5,440,641	3,988,395	5,076,134	6,952,540
Prepaid to Expenditures	0	0	43,333	0	0
Advances to Other Funds	862,864	1,190,014	1,108,972	1,243,009	0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ <u>47,072,846</u>	\$ <u>48,507,389</u>	\$ <u>36,978,283</u>	\$ <u>41,836,549</u>	\$ <u>45,717,729</u>
 LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Payable	\$ 1,784,529	\$ 1,251,680	\$ 1,637,471	\$ 2,074,167	\$ 2,602,902
Accrued Liabilities	685,650	350,614	431,684	336,143	270,460
Due To Other Funds	1,539,168	1,830,064	2,426,259	4,712,035	5,591,537
Due To Other Governments	0	0	0	1,120	0
Due To Retirement Systems	10,822,715	11,651,557	15,905,002	16,476,872	12,736,874
Unearned Revenues	75,763	67,613	72,765	42,195	75,153
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>14,907,825</u>	<u>15,151,528</u>	<u>20,473,181</u>	<u>23,642,532</u>	<u>21,276,926</u>
Fund Equity:					
Nonspendable	862,864	1,190,014	1,152,305	1,243,009	0
Restricted	18,490,792	17,542,506	5,621,087	8,938,573	14,856,294
Assigned	5,587,682	9,842,982	1,658,549	367,347	1,763,787
Unassigned	7,223,683	4,780,359	8,073,161	7,645,088	7,820,722
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Equity	<u>32,165,021</u>	<u>33,355,861</u>	<u>16,505,102</u>	<u>18,194,017</u>	<u>24,440,803</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Equity	\$ <u>47,072,846</u>	\$ <u>48,507,389</u>	\$ <u>36,978,283</u>	\$ <u>41,836,549</u>	\$ <u>45,717,729</u>

The financial data presented on this page has been excerpted from the audited financial statements of the District. Such presentation, however, has not been audited. Complete copies of the District's audited financial statements are available upon request to the District.

CLARKSTOWN CENTRAL SCHOOL DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
UNAUDITED PRESENTATION

	FOR YEAR ENDED JUNE 30				
	2012	2013	2014	2015	2016
REVENUES:					
Real Property Taxes	\$ 127,080,139	\$ 130,109,718	\$ 136,156,990	\$ 139,322,867	\$ 141,796,300
Other Tax Items	14,886,779	15,202,384	15,660,185	15,663,414	15,857,522
Charges For Services	3,088,260	2,448,574	2,969,373	2,961,692	3,234,318
Use Of Money And Property	508,356	422,737	398,340	365,165	412,331
Sale Of Property And Compensation For Loss	36,973	141,241	150,476	36,390	14,541
State Aid	24,338,511	25,367,080	27,249,610	28,138,354	29,746,454
Federal Aid	23,613	70,033	11,175	0	0
Miscellaneous	1,914,453	1,409,016	968,184	942,545	812,740
Total Revenues	<u>171,877,084</u>	<u>175,170,783</u>	<u>183,564,333</u>	<u>187,430,427</u>	<u>191,874,206</u>
EXPENDITURES:					
Current:					
General Support	17,796,016	17,961,011	31,660,271	18,383,726	18,944,745
Instruction	98,370,370	104,998,323	110,309,407	106,853,666	108,392,157
Pupil Transportation	7,763,954	7,137,803	7,501,337	7,239,694	7,012,597
Culture and Recreation	41,075	41,075	41,075	41,075	32,855
Community Services	743,611	168,442	35,175	688,372	801,309
Employee Benefits	34,186,761	35,783,007	42,188,549	43,230,874	40,428,247
Debt Service	7,060,693	6,840,282	6,903,978	6,953,453	6,509,805
Total Expenditures	<u>165,962,480</u>	<u>172,929,943</u>	<u>198,639,792</u>	<u>183,390,860</u>	<u>182,121,715</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>5,914,604</u>	<u>2,240,840</u>	<u>(15,075,459)</u>	<u>4,039,567</u>	<u>9,752,491</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfers - In	96,433	0	174,150	0	318,753
Operating Transfers - Out	(1,575,349)	(1,050,000)	(1,949,450)	(2,531,111)	(3,824,458)
Refunding bonds issued	12,410,000	0	0	8,055,000	8,055,000
Equity contribution	0	0	0	57,425	0
Sale of real property	0	0	0	73,544	0
Insurance Premium	0	0	0	1,081,854	0
Premium on debt issued	1,890,007	0	0	0	0
Payment to refunded bond escrow	(14,147,665)	0	0	(9,087,364)	0
Total Other Financing Sources (Uses)	<u>(1,326,574)</u>	<u>(1,050,000)</u>	<u>(1,775,300)</u>	<u>(2,350,652)</u>	<u>(3,505,705)</u>
Net Change in Fund Balance	<u>4,588,030</u>	<u>1,190,840</u>	<u>(16,850,759)</u>	<u>1,688,915</u>	<u>6,246,786</u>
Fund Equity - Beginning of Year	27,576,991	32,165,021	33,355,861	16,505,102	18,194,017
Adjustments (net)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Equity - End of Year	<u><u>32,165,021</u></u>	<u><u>33,355,861</u></u>	<u><u>16,505,102</u></u>	<u><u>18,194,017</u></u>	<u><u>24,440,803</u></u>

The financial data presented on this page has been excerpted from the audited financial statements of the District. Such presentation, however, has not been audited. Complete copies of the District's audited financial statements are available upon request to the District.

CLARKSTOWN CENTRAL SCHOOL DISTRICT
SUMMARY OF ADOPTED BUDGET
GENERAL FUND
FISCAL YEARS ENDED JUNE 30:

	2017 Adopted Budget	2018 Adopted Budget
ESTIMATED REVENUES:		
Real Property Taxes (a)	\$ 157,302,018	\$ 160,305,120
Other Tax Items	633,000	180,000
Charges For Services	2,686,000	3,165,000
Use Of Money And Property	1,157,000	1,007,000
Sale of Property and Compensation for Lc	48,000	47,403
Miscellaneous	710,000	710,000
Federal Sources	0	0
State Sources	31,982,030	33,229,082
Interfund Transfer	0	0
Appropriated Fund Balance	<u>1,000,000</u>	<u>1,905,000</u>
TOTAL ESTIMATED REVENUES	<u>\$ 195,518,048</u>	<u>\$ 200,548,605</u>
APPROPRIATIONS		
General Support	\$ 20,544,479	\$ 20,734,841
Instruction	114,263,961	117,171,585
Pupil Transportation	7,379,679	8,157,825
Community Services	752,182	857,047
Park and Recreation	0	0
Employee Benefits	43,477,652	42,689,820
Debt Service	6,937,595	6,869,987
Interfund Transfers	<u>2,162,500</u>	<u>4,067,500</u>
Total Expenditures	<u>\$ 195,518,048</u>	<u>\$ 200,548,605</u>

(a) Includes PILOT and estimated STAR reimbursements but does not include library tax levy.

Clarkstown Central School District
Projected 2017-18 Cash Flow Analysis
(in \$ thousands)

	Jul	Aug	Sep 1-22	Sep 23-30	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Balance (Beg. of Month)	42,872	33,565	26,651	617	68,249	132,969	119,523	105,961	104,938	92,676	94,951	82,482	69,178	42,872
Receipts:														
Property Taxes	-	-	-	55,339	86,700	-	-	-	-	7,095	3,348	-	-	152,482
STAR Aid	-	-	-	-	-	-	-	14,431	-	8	-	-	-	14,439
State Aid	-	814	-	5,128	2,578	654	2,089	248	1,783	9,005	74	1,248	2,909	26,530
Transfers From Other Funds	-	5,000	-	-	1,116	46	88	336	219	23	23	23	213	7,087
Other Receipts	716	809	-	865	462	554	527	295	836	610	774	555	256	7,259
TAN Proceeds	10,000	-	-	-	-	-	-	-	-	-	-	-	-	10,000
Transfers In Within A Fund	-	4,500	-	6,300	108,978	6,000	14,083	91	11,519	10,024	-	14,000	12,086	187,581
Total Receipts	10,716	11,123	-	67,632	199,834	7,254	16,787	15,401	14,357	26,765	4,219	15,826	15,464	405,378
Balance and Receipts	53,588	44,688	26,651	68,249	268,083	140,223	136,310	121,362	119,295	119,441	99,169	98,308	84,642	448,250
Disbursements:														
Salaries & Benefits	8,414	8,533	8,698	-	9,929	9,818	10,160	9,790	9,929	9,889	10,070	9,664	12,015	116,908
Operating Expenses	6,435	4,839	10,922	-	3,785	4,256	6,010	6,415	5,142	3,449	3,307	5,304	4,461	64,324
Debt Service	0	0	64	0	1,919	411	0	0	0	484	3,256	52	0	6,186
Transfers to Capital	5,000	-	-	-	-	-	-	-	-	-	-	-	-	5,000
Transfers to Other Funds	174	165	51	-	503	216	96	128	30	644	54	110	205	2,376
BAN Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to TAN Pay Act.	-	-	-	-	10,000	-	-	-	-	-	-	-	-	10,000
Transfers Out Within A Fund	-	4,500	6,300	-	108,978	6,000	14,083	91	11,519	10,024	-	14,000	12,086	187,581
Total Disbursements	20,023	18,037	26,034	-	135,113	20,700	30,349	16,424	26,620	24,490	16,687	29,130	28,767	392,375
Balance (End of Month)	33,565	26,651	617	68,249	132,969	119,523	105,961	104,938	92,676	94,951	82,482	69,178	55,875	55,875

Clarkstown Central School District
2016-17 Actual Cash Flow Analysis
(in \$ thousands)

	Jul	Aug	Sep 1-22	Sep 23-30	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Balance (Beg. of Month)	36,403	32,395	20,527	405	64,552	121,599	108,124	94,673	93,961	81,994	84,710	71,621	58,314	36,403
Receipts:														
Property Taxes	-	-	-	54,254	85,000	(294)	-	-	-	6,956	3,282	-	-	149,198
STAR Aid	-	-	-	-	-	-	-	14,431	-	8	-	-	-	14,439
State Aid	-	814	-	2,728	2,578	654	2,089	248	1,783	9,005	74	1,248	2,909	24,130
Transfers From Other Funds	-	-	-	-	1,116	46	88	336	219	23	23	23	213	2,087
Other Receipts	716	809	-	865	462	554	527	295	836	920	774	555	256	7,569
TAN Proceeds	10,012	-	-	-	-	-	-	-	-	-	-	-	-	10,012
Transfers In Within A Fund	-	4,500	-	6,300	108,978	6,000	14,083	91	11,519	10,024	-	14,000	12,086	187,581
Total Receipts	10,728	6,123	-	64,147	198,134	6,960	16,787	15,401	14,357	26,936	4,153	15,826	15,464	395,016
Balance and Receipts	47,131	38,518	20,527	64,552	262,686	128,559	124,911	110,074	108,318	108,930	88,863	87,447	73,778	431,419
Disbursements:														
Salaries & Benefits	8,249	8,366	8,527	-	9,734	9,625	9,961	9,598	9,734	9,695	9,873	9,475	11,779	114,616
Operating Expenses (A/P)	6,309	4,744	4,825	-	9,593	4,173	5,892	6,289	5,041	3,381	3,242	5,200	4,374	63,063
Debt Service	-	-	71	-	1,951	405	-	-	-	476	3,520	55	-	6,478
Transfers to Capital	4	216	348	-	303	16	206	7	-	-	553	294	2,461	4,408
Transfers to Other Funds	174	165	51	-	503	216	96	128	30	644	54	110	205	2,376
BAN Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to TAN Pay Act.	-	-	-	-	10,025	-	-	-	-	-	-	-	-	10,025
Transfers Out Within A Fund	-	4,500	6,300	-	108,978	6,000	14,083	91	11,519	10,024	-	14,000	12,086	187,581
Total Disbursements	14,736	17,991	20,122	-	141,087	20,435	30,238	16,113	26,324	24,220	17,242	29,134	30,905	388,547
Balance (End of Month)	32,395	20,527	405	64,552	121,599	108,124	94,673	93,961	81,994	84,710	71,621	58,314	42,872	42,872

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APPENDIX C

**LINK TO INDEPENDENT AUDITORS' REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2016**

**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/EP960202-EP744786-EP1146302.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. PKF O'Connor Davies, LLP 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.**

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APPENDIX D

FORMS OF BOND COUNSEL OPINIONS

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Hawkins Delafield & Wood LLP
28 Liberty Street
New York, New York 10005

July 27, 2017

The Board of Education of
Clarkstown Central School District,
in the County of Rockland New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Clarkstown Central School District (the "School District"), in the County of Rockland, a school district of the State of New York and have examined a record of proceedings relating to the authorization, sale and issuance of the \$15,000,000 Bond Anticipation Notes For School Construction - 2017 (the "Bond Anticipation Note"), dated and delivered on the date hereof.

We have examined a record of proceedings relating to the Note for purposes of this opinion. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Note is a valid and legally binding general obligations of the School District for which the School District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the School District is subject to the levy of ad valorem real estate taxes to pay the Note without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Note may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Note is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Note is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations.

The Code establishes certain requirements that must be met subsequent to the issuance of the Note in order that the interest on the Note be and remain excludable from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Note, restrictions on the investment of proceeds of the Note prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Note to become subject to federal income taxation retroactive to its date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Note, the School District will execute a Tax Certificate relating to the Note containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the School District represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Note will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the School District's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Note, and (ii) compliance by the School District with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Note is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Except as stated in paragraphs 2 and 3 above, we express no opinion as to any other federal, state or local tax consequences with respect to the Note or the ownership or disposition thereof. Further, we express no opinion herein as to the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of the interest on the Note, or under state and local tax law.

We render our opinion under existing statutes and court decisions as of the date of issuance of the Note, and we assume no obligation to update, revise or supplement this opinion after the issue date to reflect any action hereafter taken or not taken, or any facts or circumstances, or any change in law or in interpretations thereof, or otherwise, that may hereafter arise or occur, or for any other reason.

We give no assurances as to the adequacy, sufficiency or completeness of the Official Statement or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other documents, containing financial or other information relative to the School District which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in said Note.

Very truly yours,

Hawkins Delafield & Wood LLP
28 Liberty Street
New York, New York 10005

July 27, 2017

The Board of Education of
Clarkstown Central School District,
in the County of Rockland New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Clarkstown Central School District (the "School District"), in the County of Rockland, a school district of the State of New York and have examined a record of proceedings relating to the authorization, sale and issuance of the \$10,000,000 Tax Anticipation Notes For 2017 - 2018 Taxes (the "Tax Anticipation Note"), dated and delivered on the date hereof.

We have examined a record of proceedings relating to the Note for purposes of this opinion. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Note is a valid and legally binding general obligations of the School District for which the School District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the School District is subject to the levy of ad valorem real estate taxes to pay the Note subject to certain statutory limitation. The enforceability of rights or remedies with respect to such Note may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Note is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Note is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations.

The Code establishes certain requirements that must be met subsequent to the issuance of the Note in order that the interest on the Note be and remain excludable from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Note, restrictions on the investment of proceeds of the Note prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Note to become subject to federal income taxation retroactive to its date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Note, the School District will execute a Tax Certificate relating to the Note containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the School District represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Note will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the School District's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Note, and (ii) compliance by the School District with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Note is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Except as stated in paragraphs 2 and 3 above, we express no opinion as to any other federal, state or local tax consequences with respect to the Note or the ownership or disposition thereof. Further, we express no opinion herein as to the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of the interest on the Note, or under state and local tax law.

We render our opinion under existing statutes and court decisions as of the date of issuance of the Note, and we assume no obligation to update, revise or supplement this opinion after the issue date to reflect any action hereafter taken or not taken, or any facts or circumstances, or any change in law or in interpretations thereof, or otherwise, that may hereafter arise or occur, or for any other reason.

We give no assurances as to the adequacy, sufficiency or completeness of the Official Statement or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other documents, containing financial or other information relative to the School District which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in said Note.

Very truly yours,

APPENDIX E

FORMS OF UNDERTAKING TO PROVIDE TIMELY NOTICES OF EVENTS

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UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

“EMMA” shall mean Electronic Municipal Market Access System implemented by the MSRB.

“GAAP” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“Holder” shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“Issuer” shall mean Clarkstown Central School District, in the County of Rockland, a School District of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Purchaser” shall mean the financial institution referred to in the Certificate of Determination, executed by the President of the Board of Education as of July 27, 2017.

“Rule 15c2-12” shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Undertaking, including any official interpretations thereof.

“Securities” shall mean the Issuer’s \$15,000,000* Bond Anticipation Notes for School Construction - 2017, dated July 27, 2017, maturing on July 27, 2018, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
- (7) modifications to rights of Securities holders, if material;
- (8) Bond calls, if material, and tender offers;

*Preliminary, subject to change.

- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 4. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **July 27, 2017**.

CLARKSTOWN CENTRAL SCHOOL DISTRICT

By _____
President of the Board of Education and Chief Fiscal Officer

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

“EMMA” shall mean Electronic Municipal Market Access System implemented by the MSRB.

“GAAP” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“Holder” shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“Issuer” shall mean Clarkstown Central School District, in the County of Rockland, a School District of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Purchaser” shall mean the financial institution referred to in the Certificate of Determination, executed by the President of the Board of Education as of July 27, 2017.

“Rule 15c2-12” shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Undertaking, including any official interpretations thereof.

“Securities” shall mean the Issuer’s \$10,000,000* Tax Anticipation Notes for 2017 - 2018 Taxes, dated July 27, 2017, maturing on October 13, 2017, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
- (7) modifications to rights of Securities holders, if material;
- (8) Bond calls, if material, and tender offers;

*Preliminary, subject to change.

- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 4. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **July 27, 2017**.

CLARKSTOWN CENTRAL SCHOOL DISTRICT

By _____
President of the Board of Education and Chief Fiscal Officer