

This Preliminary Official Statement and the information contained in it are subject to completion and amendment in a final Official Statement. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there may not be any sale of the Bonds offered by this Preliminary Official Statement, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification of the Bonds under the securities laws of that jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 8, 2017

REFUNDING (SERIAL) BONDS

Ratings: See "Ratings" herein

In the opinion of Barclay Damon LLP, Albany, New York, Bond Counsel, under existing law (A) interest on the Bonds is excluded from the gross income of the owners thereof for federal income tax purposes and is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes imposed by the Internal Revenue Code of 1986, as amended (the "Code"), except that (1) interest on the Bonds is included in the adjusted current earnings of corporations for purposes of calculating corporate alternative minimum taxable income for federal income tax purposes, and (2) the District, by failing to comply with certain restrictions contained in the Code, may cause interest on the Bonds to become subject to federal income taxation from the date of issuance thereof, and (B) interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See the caption "TAX EXEMPTION" herein.

The Bonds will be designated by the District as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

COHOES CITY SCHOOL DISTRICT ALBANY COUNTY, NEW YORK

\$8,540,000*

SCHOOL DISTRICT REFUNDING (SERIAL) BONDS, 2017 (the "Bonds")

Date of Issue: Date of Delivery

Maturity Dates: April 15, 2018-2026

The Bonds are general obligations of the District, and will contain a pledge of the faith and credit of the District for the payment of the principal of and interest on the Bonds and, unless paid from other sources, the Bonds 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 ("TAX INFORMATION-Tax Levy Limitation Law," herein).

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

If the Bonds will be issued through DTC, the Bonds will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as Securities Depository for the Bonds. Individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof. Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds. Payments of principal of and interest on the Bonds will be made by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds.

If the Bonds are registered in the name of the purchaser, principal of and interest on the Bonds will be payable in Federal Funds and the District will act as paying agent. In such case, the Bonds will be issued in registered form in denominations of \$5,000 or integral multiples thereof, as may be determined by such successful bidder.

The Bonds are dated their date of delivery and will bear interest from that date until maturity at the annual rate or rates as specified by the purchaser of the Bonds, payable on April 15, 2018, October 15, 2018 and semi-annually thereafter on each April 15 and October 15 until maturity. The Bonds will mature on April 15 of each year until maturity, as shown on the inside cover page hereof. The Bonds are not subject to redemption prior to maturity.

The Bonds are offered when, as, and if issued by the District and accepted by the purchaser, subject to the final approving opinion of Barclay Damon LLP, of Albany, New York, Bond Counsel, and certain other conditions. Capital Markets Advisors, LLC has served as Municipal Advisor to the District in connection with the issuance of the Bonds. It is expected that delivery of the Bonds will be made on or about December 7, 2017 (the "Delivery Date").

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH THE RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE BONDS. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER AS MORE FULLY DESCRIBED IN THE NOTICE OF BOND SALE WITH RESPECT TO THE BONDS. FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE, UNDER CERTAIN CIRCUMSTANCES, CONTINUING DISCLOSURE PURSUANT TO THE RULE, SEE "DISCLOSURE UNDERTAKING," HEREIN.

*Preliminary, subject to change.

The Bonds mature on April 15 in each year, not subject to prior redemption, as set forth below:

<u>Year</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP #**</u>
2018	\$65,000			192540
2019	140,000			192540
2020	1,670,000			192540
2021	1,700,000			192540
2022	1,720,000			192540
2023	1,750,000			192540
2024	485,000			192540
2025	500,000			192540
2026	510,000			192540

* Preliminary, subject to change.

** CUSIP numbers have been assigned by an independent company not affiliated with the District and are included solely for the convenience of the holders of the Bonds. The District is not responsible for the selection or uses of these CUSIP numbers and no representation is made to their correctness on the Bonds or as indicated above.

**COHOES CITY SCHOOL DISTRICT
ALBANY COUNTY, NEW YORK**

Board of Education

**Jeremy McDonald
PRESIDENT**

Matthew Nolin Vice President
Helen AnnelyBoard Member
Andrea FrangieBoard Member
Margaret GillerBoard Member
Mark PascaleBoard Member
VacantBoard Member

Jennifer Spring..... Superintendent of Schools
Stacy Mackey..... School Business Official
Johanna Maloney..... District Clerk

BOND COUNSEL

**BARCLAY DAMON, LLP
Albany, New York**

MUNICIPAL ADVISOR



Capital Markets Advisors, LLC
Hudson Valley * Long Island * Southern Tier * Western New York
(716) 662-3910

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

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**OFFICIAL STATEMENT
RELATING TO THE ISSUANCE OF
COHOES CITY SCHOOL DISTRICT
ALBANY COUNTY, NEW YORK**

\$8,540,000*
SCHOOL DISTRICT REFUNDING (SERIAL) BONDS, 2017
(the "Bonds")

This Official Statement (the "Official Statement"), which includes the cover page, inside cover page, and appendices hereto, presents certain information relating to the Cohoes City School District, Albany County, State of New York (the "District," "County" and "State" respectively), in connection with the sale of \$8,540,000* School District Refunding (Serial) Bonds, 2017 (the "Bonds").

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

THE BONDS

Description

The Bonds are dated their date of delivery and will bear interest from that date until maturity at the annual rate or rates as specified by the purchaser of the Bonds, payable on April 15, 2018, October 15, 2018 and semi-annually thereafter on each April 15 and October 15 until maturity. The Bonds will mature on April 15 of each year until maturity, as shown on the inside cover page hereof. The Bonds are not subject to redemption prior to maturity. (See "Optional Redemption for the Bonds" herein.)

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

If the Bonds will be issued through DTC, the Bonds will be issued through DTC and registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as Securities Depository for the Bonds. Individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof. Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds. Payments of principal of and interest on the Bonds will be made by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds.

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

*Preliminary, subject to change.

Authority for and the Refunding Plan

The Bonds are issued pursuant to the Constitution, the laws of the State, including the Local Finance Law and a refunding bond resolution duly adopted by the Board of Education of the District (the “Board”) on October 18, 2017. A refunding financial plan has been prepared and is described below (the “Refunding Plan”).

The amount of the Refunded Bonds, set forth below, may be changed by the District in its sole discretion due to market or other factors considered relevant by the District at the time of pricing of the Bonds and no assurance can be given that any particular maturity thereof will be refunded.

All proceeds of the Refunded Bonds have been previously expended.

The Bonds are being issued to refund \$8,095,000 of the outstanding callable principal of the \$18,625,000 School District (Serial) Bonds, 2011 as listed below (the “Refunded Bonds”):

Maturity	Coupon	Maturity Value	Call Date	Call Price	CUSIP BASE 192540
4/15/2020	3.750%	\$ 1,530,000	04/15/2019	100.00%	JK9
4/15/2021	4.000%	1,595,000	04/15/2019	100.00%	JL7
4/15/2022	4.000%	1,655,000	04/15/2019	100.00%	JM5
4/15/2023	4.125%	1,725,000	04/15/2019	100.00%	JN3
4/15/2024	4.250%	505,000	04/15/2019	100.00%	JP8
4/15/2025	4.500%	530,000	04/15/2019	100.00%	JQ6
4/15/2026	4.500%	<u>555,000</u>	04/15/2019	100.00%	JR4
		\$8,095,000			

Under current market conditions, the District expects to refund all of the Refunded Bonds as shown above. The net proceeds of the Bonds (after payment of costs of issuance relating to the Bonds) will be used to purchase non-callable, direct obligations of or obligations guaranteed by the United States of America (the “Government Obligations”) which, together with remaining cash proceeds from the sale of the Bonds, will be placed in an irrevocable trust fund (the “Escrow Fund”) to be held by Manufactures & Trader’s Trust Company, (the “Escrow Holder”) a bank located and authorized to do business in the State, pursuant to the terms of an escrow contract by and between the District and the Escrow Holder, dated as of the delivery date of the Bonds (the “Escrow Contract”). The Government Obligations so deposited will mature in amounts which, together with the cash so deposited, will be sufficient to pay the principal of, and interest on the Refunded Bonds on the dates of their redemption. The Refunding Plan requires the Escrow Holder, pursuant to the refunding bond resolution of the District and the Escrow Contract, to pay the Refunded Bonds at the earliest date on which the Refunded Bonds may be called for redemption prior to maturity.

The holders of the Refunded Bonds will have a first lien on all investment income from, and maturing principal of, the Government Obligations, along with other available monies held in the Escrow Fund. The Escrow Contract shall terminate upon final payment by the Escrow Holder to the paying agents/fiscal agent for the Refunded Bonds amounts from the Escrow Fund adequate for the payment, in full, of the Refunded Bonds, including interest payable with respect thereto.

The Refunding Plan will permit the District to realize, as a result of the issuance of the Bonds, cumulative dollar and present value debt service savings.

Under the Refunding Plan, the Refunded Bonds will continue to be general obligations of the District. However, inasmuch as the Government Obligations held in the Escrow Fund will be sufficient to meet all required payments of principal and interest when required in accordance with the Refunding Plan, it is not anticipated that any other source of payment will be required.

Sources and Uses of Proceeds of the Bonds

Sources:

Par Amount
Net Original Issue Premium/Discount

Total:

Uses:

Refunding Escrow Deposit
Costs of Issuance and Contingency
Underwriter's Discount

Total:

Verification of Mathematical Computations

Causey, Demgen, & Moore P.C. will verify from the information provided to them, the mathematical accuracy, as of the date of the closing of the Bonds, of: (1) the computations contained in the provided schedules to determine that the anticipated receipts from the Government Obligations and cash deposits, to be held in escrow, will be sufficient to pay, when due, the principal of, and interest on the Refunded Bonds, and (2) the computations of the yield on both the Government Obligations and the Bonds contained in the provided schedules to be used by Bond Counsel in its determination that the interest on the Bonds is excludable from gross income for Federal income tax purposes. Causey, Demgen, & Moore P.C. will express no opinion on the assumptions provided to them, nor as to the exclusion from taxation of the interest on the Bonds.

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving reasonable notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof for any single maturity. Principal of the Bonds when due will be payable upon presentation at the principal corporate trust office of a bank or trust company located and authorized to do business and act as a fiscal agent in the State, to be named by the District. Interest on the Bonds will remain payable semiannually on April 15 and October 15 in each year to maturity commencing April 15, 2018. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for the Bonds of the same if any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Certificate executed by the President of the Board of Education authorizing the sale of the Bonds and fixing the details thereof and in accordance with the local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment date.

OPTIONAL REDEMPTION

The Bonds will not be subject to optional redemption prior to maturity.

NATURE OF OBLIGATION

The Bonds, when duly issued and paid for, will constitute a contract between the District and the holders thereof.

The Bonds will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest, unless paid from other sources or charges, the District has the power and statutory authorization to levy *ad valorem* taxes on all taxable real property in the District, without limitation as to rate or amount. See "TAX INFORMATION-Tax Levy Limitation Law," herein.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate therefor. On June 24, 2011, the Tax Levy Limitation Law was adopted in the State. The Tax Levy Limitation Law established certain limitations on the power of local governments and school districts to increase the property tax levy beyond certain prescribed limits (without following certain prescribed procedures). Attempts to challenge the constitutionality of the Tax Levy Limitation Law through the courts have so far been unsuccessful, but the New York State United Teachers ("NYSUT") organization has stated that it will continue to press its appeal; therefore, the ultimate outcome of such litigation cannot be determined at this time. The Tax Levy Limitation Law had its first application with respect to the District's budget for 2012-13. The Tax Levy Limitation Law does make certain allowances for the exclusion of tax levy increases associated with capital expenses by school districts. See "TAX INFORMATION-Tax Levy Limitation Law," herein. Also, certain special protective procedures and remedies available to holders of school district debt remain in place and are not affected by the Tax Levy Limitation Law. See "DISTRICT INDEBTEDNESS—Remedies Upon Default," herein.

BOOK-ENTRY-ONLY SYSTEM

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

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the

Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all the Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices shall be sent to DTC. If less than all of the securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from 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 Bonds at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

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

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

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCE THAT DTC DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS

OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE BONDS.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE DISTRICT MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Source: The Depository Trust Company.

MARKET FACTORS

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

The District is dependent, in part, on financial assistance from the State. However, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. The State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefor.

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

TAX MATTERS

In the opinion of Barclay Damon, LLP, Albany, New York, Bond Counsel, under existing law, (A) interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes and is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes imposed by the Code, except that (1) interest on the Bonds is included in the adjusted current earnings of corporations for purposes of calculating corporate alternative minimum taxable income, and (2) the District, by failing to comply with certain restrictions contained in the Code, may cause interest on the Bonds to become subject to Federal income taxation from the date of issuance thereof; and (B) interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

In rendering the foregoing opinions, Bond Counsel noted that exclusion of the interest on the Bonds from gross

income for Federal income tax purposes is dependent, among other things, on compliance with the applicable requirements of the Code that must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Non-compliance with such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Those requirements include, but are not limited to, provisions that prescribe yield and other limits within which the proceeds of the Bonds are to be invested and require, under certain circumstances, that certain investment earnings on the foregoing be rebated on a periodic basis to the Treasury Department of the United States of America. The District will covenant in the Tax Certificate as to Arbitrage and Use of Proceeds, that, to maintain the exclusion of interest on the Bonds from gross income for Federal income tax purposes pursuant to Section 103(a) of the Code, and for no other purpose, the District shall comply with each applicable provision of the Code.

Bond Counsel also has advised that (1) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, the Code provides that such insurance company's deduction for loss is reduced by 15% of the sum of certain items, including interest on the Bonds; (2) interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code; (3) passive investment income, including interest on the Bonds, may be subject to Federal income taxation under section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income; (4) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Bonds; and (5) under Section 32 (i) of the Code, receipt of investment income, including interest on the Bonds, may disqualify the recipient thereof from obtaining the earned income credit.

The Tax Increase Prevention and Reconciliation Act of 2005, enacted on May 17, 2006, contains a provision under which interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. Although the new reporting requirement does not, in and of itself, affect the excludability of such interest from gross income for federal income tax purposes, the reporting requirement causes the payment of interest on the Bonds to be subject to backup withholding if such interest is paid to registered owners who either (a) fail to provide certain identifying information (such as the registered owner's taxpayer identification number) in the required manner or (b) have been identified by the IRS as having failed to report all interest and dividends required to be shown on their income tax returns. Amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against such beneficial owner's federal income tax liability provided the required information is furnished to the IRS.

A Bondholder's federal, state and local tax liability may otherwise be affected by the ownership or disposition of the Bonds. The nature and extent of these other consequences will depend upon the Bondholder's other items of income or deduction. Bond Counsel has expressed no opinion regarding any such other tax consequences. Each purchaser of the Bonds should consult its tax advisor regarding the impact of the foregoing and other provisions of the Code on its individual tax position.

The Bonds will be designated by the District as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

The Opinion of Bond Counsel set forth above with respect to the Federal income tax treatment of interest paid on the Bonds is based upon the current provisions of the Code.

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 Bonds under Federal or state law or otherwise prevent beneficial owners of the Bonds 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 Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors regarding pending or proposed tax legislation, administrative actions taken by tax authorities or court decisions, and regarding the impact of future legislation, administrative actions or court decisions.

DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS

Absence of Litigation

Upon delivery of the Bonds, the District will furnish certificates, dated the date of delivery of the Bonds, 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 Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds. Such certificates also will state that there is no controversy or litigation of any nature now pending or to the knowledge of the signers 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 (a) or adversely affect the power of the District to levy, collect, and enforce the collection of taxes or other revenues for the payment of its Bonds, or (b) seeking to restrain or enjoin the issuance and delivery of the Bonds 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 Bonds were authorized or affecting the validity of the Bonds thereunder, which has not been disclosed in this Official Statement.

Legal Matters

Legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the final approving opinion of Barclay Damon LLP, Bond Counsel. Such opinion will be available at the time of delivery of the Bonds and will be to the effect that the Bonds are valid and legally binding general obligations of the District for which the District has validly pledged its faith and credit, and all the taxable real property within the District is subject to the levy of *ad valorem* real estate taxes to pay the Bonds and interest thereon, without limitation as to rate or amount (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of the State). Such opinion shall also contain further statements to the effect that (a) the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted, and (b) such law firm has not been requested to examine or review and has not examined or reviewed the accuracy or sufficiency of the Official Statement, or any additional proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the District which has been or may have been furnished or disclosed to purchasers of the Bonds, and expresses no opinion with respect to such financial or other information, or the accuracy or sufficiency thereof.

Closing Certificates

Upon the delivery of the Bonds, the purchaser will be furnished with the following items: (i) a certificate of the President of the Board of Education of the District 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 Bonds, 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 Bonds; and having attached thereto a copy of this Official Statement; (ii) a certificate signed by an officer of the District evidencing payment for the Bonds; (iii) a closing certificate evidencing the due execution of the Bonds, including statements that (a) neither the corporate existence or boundaries of the District nor the title of the signers to their respective offices is being contested, and (b) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (iv) a tax certificate executed by the President of the Board of Education, as described under "TAX EXEMPTION" herein.

DISCLOSURE UNDERTAKING

Unless the Bonds are purchased for the buyer's own account as principal, for investment and not for resale, at the time of the delivery of the Bonds, the District will provide an executed copy of its "Disclosure Undertaking" (the "Undertaking") pursuant to Securities and Exchange Commission Rule 15c2-12 (the "Rule"). The Undertaking will constitute a written agreement or contract of the District for the benefit of holders of and owners of beneficial interests in the Bonds, 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:

- (1) (i) certain annual financial information, in a form generally consistent with the information contained or cross-referenced in this Official Statement in Appendix A under the headings: "THE DISTRICT", "FINANCIAL FACTORS", "TAX INFORMATION", "DISTRICT INDEBTEDNESS" "ECONOMIC AND DEMOGRAPHIC DATA" and "LITIGATION"; and in Appendix B, on or prior to the final day of the 9th month following the end of each fiscal year, commencing with the fiscal year ending June 30, 2017 and (ii) the audited financial statement, if any, of the District for each fiscal year commencing with the fiscal year ending June 30, 2017 unless such audited financial statement, if any, shall not then be available in which case the audited financial statement shall be provided within 30 days after it becomes available and in no event later than 360 days after the end of each fiscal year;
- (2) timely notice, not in excess of ten (10) business days after the occurrence of such event, of the occurrence of any of the following events:
 - (i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) 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 Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of Bondholders, if material; (viii) bond and note calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the District; [note to clause (xii): For the purposes of the event identified in clause (xii) 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 District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, 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 District]; (xiii) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

Event (iii) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (iii) is not applicable, since no “debt service reserves” will be established for the Bonds.

With respect to event (iv) the District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the securities.

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

- (3) in a timely manner, notice of a failure to provide the annual financial information and audited financial statement by the date specified.

The District’s Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Bonds shall have been paid in full or in the event that those portions of the Rule which require the Undertaking, or such provision, as the case may be, do not or no longer apply to the Bonds. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the District, and no person or entity, including a holder of the Bonds, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the District to comply with the Undertaking will not constitute a default with respect to the Bonds.

The District reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that any such amendment or modification will be done in a manner consistent with the Rule. Under the scenario in which the Bonds are purchased for the purchaser’s own account as principal, for investment and not for resale, the purchaser shall deliver a certificate that documents such intent (in form satisfactory to the District’s bond counsel) and establishes that an exemption from the Rule applies.

Prior Disclosure History

For the past five years, the District has complied, in all material respects, with its previous continuing disclosure undertakings to provide audited annual financial statements and statements of annual financial information and operating data; however, the District did fail to file certain material event notices for various bond insurance rating downgrades within ten days following the occurrence of such events. The required notices have all been filed as of the date of this Official Statement.

Additionally, certain municipal bond insurance companies have had a variety of ratings changes over the past five years. The District filed event notices for these changes on EMMA on August 1, 2014.

RATINGS

Moody’s Investors Service, Inc. (“Moody’s”) has assigned the District an underlying rating of “A1” and an enhanced rating of “Aa3” to the uninsured outstanding bonded indebtedness of the District, including the Bonds.

Such rating reflects only the view of such organization, and an explanation of the significance of such rating may be obtained only from such rating agency, at the following address: Moody’s Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, NY 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 such bonds or the availability of a secondary market for those bonds.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinions or estimates, whether or not so

expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the opinions or estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the holders of the Bonds.

Statements in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District files with the repositories. When used in District documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

Barclay Damon LLP, of Albany, New York, Bond Counsel to the District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Bonds, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Bonds, the District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did 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, subject to a limitation as to information in the Official Statement obtained from sources other than the District.

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

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC, Orchard Park, 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 municipal 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 Bonds.

ADDITIONAL INFORMATION

Additional information may be obtained from the District's School Business Official, Stacy Mackey, 7 Bevan Street, Cohoes, NY 12047, (518) 237-0100, email: smackey@cohoes.org or from the District's Municipal Advisor, Capital Markets Advisors, LLC, (716) 662-3910.

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

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.

Cohoes City School District
Albany County, New York
By: /s/ _____
Jeremy McDonald
President of the Board of Education

DATED: November 8, 2017

APPENDIX A
THE DISTRICT

THE DISTRICT

General Information

The Cohoes City School District was originally created by an Act of the Legislature on April 10, 1850 consolidating three village districts into one District divided into five wards. The first trustees were chosen in March of 1851. The District encompasses all of the City of Cohoes in Albany County, New York. The District covers approximately four square miles and has an estimated population of 16,168. The District is located at the confluence of the Mohawk and Hudson Rivers in the Capital District of New York State.

The District is served by major highways, including New York State Routes 9R, 32, 470 and 787, as well as the New York State Thruway. Bus service is provided by the Capital District Transportation Authority. Air transportation is available at the Albany International Airport, five miles southwest of the District.

The District is primarily residential with a mixture of commercial and industrial sectors. Many residents commute to Albany, Schenectady and Troy for employment.

Water and sewer services are provided by the City of Cohoes, as are police and fire protection. Telephone service is provided by Verizon, while electricity and natural gas are provided by National Grid Power Corporation.

The District provides public education for grades K-12. Opportunities for higher education abound within a ten-mile radius; Rensselaer Polytechnic Institute, Russell Sage College and State University of New York at Albany are just a few of the many colleges and universities in the Albany/Troy area.

Banking facilities for the District residents are provided by Pioneer and Key Bank.

District Organization

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

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

In early July of each year, the Board meets for the purposes of reorganization. At that time, the Board elects a President and Vice President.

The major administrative officers of the District, whose duty it is to implement the policies of the Board and who are appointed by the Board, include the Superintendent of Schools and the School Business Official.

Financial Organization

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

Financial Statements and Accounting Procedures

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

School Enrollment Trends

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

TABLE 1
School Enrollment Trends

<u>Fiscal Year</u>	<u>Actual Enrollment</u>	<u>Fiscal Year</u>	<u>Projected Enrollment</u>
2015-16	1,863	2018-19	2,020
2016-17	1,991	2019-20	2,020
2017-18	2,016	2020-21	2,020

Source: District Officials.

District Facilities

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

TABLE 2
District Capacity

<u>Names</u>	<u>Grades</u>	<u>Capacity</u>
Abram Lansing Elementary	K-5	474
Van Schaick Elementary	K-5	203
Harmony Hill Elementary	K-5	500
Cohoes Middle	6-8	550
Cohoes High	9-12	700
PAS	Alternative Ed	<u>120</u>
	Total:	<u>2,547</u>

Source: District Officials.

Employees

The District provides services through both full-time and part-time employees, all of whom are represented by the following units of organized labor.

TABLE 3
Employees

<u>Number of Employees</u>	<u>Organization</u>	<u>Contract Expiration Date</u>
230	Cohoes Teachers' Association	6/30/17*
9	Cohoes Principals' Association	6/30/20
101	CSEA Local 801	6/30/22

*Currently under negotiations.

Source: District Officials.

Employee Pension Benefits

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

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

Both the ERS and the TRS are non-contributing with respect to members hired prior to July 27, 1976. The ERS and TRS are non-contributory with respect to members working ten or more years. All members working less than ten years must contribute 3% of gross annual salary toward the cost of retirement programs except for Tier VI members, whose contributions range from 3-6%.

According to the most recent audited financial statement included in Appendix C, the following schedule reflects the District's contribution to ERS and TRS for the last three fiscal years and the current fiscal year budgeted amounts:

<u>Year ended</u>	<u>TRS</u>	<u>ERS</u>
2018 <i>Budget</i>	\$ 1,600,000	\$ 495,000
2017	1,655,368	421,984
2016	1,744,782	579,517
2015	2,462,297	564,779

On December 10, 2009, then Governor Paterson signed into law a new Tier 5. The law is effective for new ERS and TRS employees hired after January 1, 2010. New ERS employees will now contribute 3% of their salaries and new 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 the new Tier 6 pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier 6 legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier 6 employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

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

The New York State TRS has adopted an Employer Contribution Rate of 9.8%, applicable to 2017-18 salaries. This is a decrease from last year's rate of 17.72%.

Due to poor performance of the investment portfolio of the State Retirement System, New York State Comptroller Thomas DiNapoli has announced that the employer contribution rates for required pension contributions to the SRS will continue to increase. To help mitigate the impact of their ERS increases, legislation has been enacted that permits local governments and school district to amortize a portion of such contributions. Under such legislation, local governments and school district that choose to amortize a portion of their ERS contributions will be required to set aside and reserve funds with the SRS for certain future rate increases.

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

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

The primary benefit of participation in the SCO plans is the elimination of the uncertainty in the volatility of future pension contribution ARCs in the near term, thereby providing school districts with significant assistance in its ability to create a stable and reliable fiscal plan.

The plan, which was approved in Governor Cuomo's 2014-15 budget would let districts contribute 14.13% of employee costs toward pensions. The District has not opted into the pension smoothing plan.

Other Post-Employment Benefits

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

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

GASB 45 will require municipalities and school districts to account for OPEB liabilities much like they already account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB 27, which covers accounting for pensions, GASB 45 does not require municipalities or school districts to report a net OPEB obligation at the start.

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

GASB 45 does not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and compliance in

meeting its ARC. The District was in compliance with the requirements of GASB 45 by the applicable effective date, a summary of which is included in the June 30, 2017 financial statements attached hereto.

See the District's Financial Statements for the Fiscal Year ended June 30, 2017 for a presentation of the District's OPEB valuation. The following table summarizes the District's annual OPEB for the year ended June 30, 2016 and 2017:

	<u>2016</u>	<u>2017</u>
Annual required contribution	\$3,394,366	\$3,553,693
Interest on net OPEB obligation	547,670	608,499
Adjustment to ARC	<u>(410,255)</u>	<u>(455,822)</u>
Annual OPEB cost	3,531,781	3,706,370
Contributions made	<u>2,315,204</u>	<u>2,552,278</u>
Increase in net OPEB obligation	1,216,577	1,154,092
Net OPEB obligation – beginning of the year	<u>10,953,408</u>	<u>12,169,985</u>
Net OPEB obligation – end of year	<u>\$12,169,985</u>	<u>\$13,324,077</u>

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

As of July 1, 2016, the plan was not funded. The unfunded actuarial accrued liability for benefits for governmental activities was \$51,548,407.

Investment Policy/Permitted Investments

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

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

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

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

FINANCIAL FACTORS

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A Statement of Revenues and Expenditures for the five-year period ending June 30, 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 and bond anticipation notes.

Real Property Taxes

The District derives a major portion of its revenues from a tax on real property (see “Statement of Revenues, Expenditures and Changes in Fund Balance-General Fund” in Appendix B, herein). Property taxes accounted for 42.2% of total general fund revenues for the fiscal year ended June 30, 2017, while State aid accounted for 54.4%.

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

TABLE 4
Property Taxes

Fiscal Year <u>Ending June 30:</u>	Total <u>Revenues</u>⁽¹⁾	Real Property Taxes & Other <u>Tax Items</u>⁽¹⁾	Real Property Tax & Other Tax Items Revenues to <u>Revenues</u>
2013	\$37,069,892	\$14,837,625	40.0%
2014	37,870,281	15,551,038	41.1%
2015	38,754,030	15,791,296	40.7%
2016	38,438,460	16,110,413	41.9%
2017	38,032,620	16,038,643	42.2%
2018 <i>Budget</i>	41,826,200	16,305,831	39.0%

(1) General Fund only.

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

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 audited fiscal years and the amounts budgeted for the current fiscal year.

TABLE 5
State Aid

Fiscal Year <u>Ending June 30:</u>	Total <u>Revenues</u>⁽¹⁾	Total <u>State Aid</u>⁽¹⁾	Percentage of Total Revenues Consisting of State Aid
2013	\$37,069,892	\$20,813,650	56.1%
2014	37,870,281	20,944,410	55.3%
2015	38,754,030	21,345,249	55.1%
2016	38,438,460	20,847,107	54.2%
2017	38,032,620	20,695,186	54.4%
2018 <i>Budget</i>	41,826,200	22,300,011	53.3%

(1) General Fund only.

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

In addition to the amount of State Aid budgeted by the District in its 2016-17 fiscal year, the State made payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR (see “STAR-School Tax Exemption”) Program. The District received a timely receipt of STAR aid for the 2016-17 fiscal year.

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

On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a “sound basic education” as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent “gross educational inadequacies”, claims regarding State funding for a “sound basic education” must be made on a district-by-district basis based on the specific facts therein.

An appeal in a case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on May 30, 2017 in New Yorkers for Students’ Educational Rights (“NYSER”) v. State of New York and a consolidated case on the right to a sound basic education. NYSER asserted that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asked the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the “foundation aid” formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters.

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

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

There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. The State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefor.

No delay in payment of State aid for the District’s 2016-17 fiscal year is presently anticipated, although no assurance can be given that there will not be a delay in payment thereof. Should the District fail to receive monies expected from the State in the amounts and at the times expected, the District is permitted to issue revenue anticipation notes in anticipation of the receipt of delayed State aid.

Recent Events Affecting New York School Districts

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

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

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

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

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

The State 2017-18 Enacted Budget increases State aid to education by \$1.1 billion, including a \$700 million increase in Foundation Aid, bringing total amount of State aid to education to \$25.8 billion or an increase of 4.4%. 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.

The State 2017-18 Enacted Budget allows the Governor to reduce expenditures (including aid to school districts) mid-year if revenues (including, but not limited to, revenues from the federal government) are less than what was expected. If federal support to the State is reduced by \$850 million or more, the Governor will develop a plan to make uniform spending reductions. Such plan will take effect automatically unless the Legislature passes its own plan within 90 days.

The State budget provisions relating to school districts for the forthcoming School District fiscal year were adopted on April 9, 2017 and signed by the Governor on April 12, 2017.

Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as has been customary in recent years. Transportation Aid increased 5.5 percent and Building Aid increased 4.8 percent.

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

The budget includes a provision to permit school districts to authorize and establish conditions for the partial payment of property taxes.

The School District presently anticipates an increase in its State Aid not related to building aid for its 2017-2018 fiscal year in an amount of \$625,310

It should also be noted that the School District receives federal aid for certain programs. In its last audited fiscal year, the School District received \$135,000 in such direct federal aid. It is not possible to predict whether such aid will continue in the future, or if continued, whether it will be funded at present levels.

The District cannot predict at this time whether there will be any reductions in and/or delays in the receipt of State aid during the District's 2017-18 fiscal year. The District believes that it would mitigate the impact of any delays or the reduction in State aid by reducing expenditures, increasing revenues, appropriating other available funds on hand, and/or by any combination of the foregoing.

Other Revenues

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

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 developed and refined in conjunction with the school building principals and department supervisors. Under current law, the budget is submitted to voter referendum on the third Tuesday of May each year. Summaries of the District's adopted budgets for the current and previous fiscal year may be found in Appendix B, herein.

The voters approved the District's 2016-17 budget vote on May 17, 2016.

The State Comptroller's Fiscal Stress Monitoring System

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

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

The most current applicable report of the State Comptroller designates the District as "No Designation" (see <http://www.osc.state.ny.us/localgov/fiscalmonitoring/pdf/schools/schoolsummarylist.pdf>).

New York State Comptroller's Audit

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

On July 29, 2016, OSC, Division of Local Government and School Accountability released an audit of the District which included a review of the District’s budgeting practices and fund balance management from July 1, 2012 through June 30, 2015. The audit found that the District did not have a formal plan for funding reserves, which had led to overestimations of budget appropriations for several years and the unrestricted fund balance to exceed the statutory limit. It was recommended that the District develop a detailed plan for funding levels and uses and adopt realistic budget appropriations.

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

<http://www.osc.state.ny.us/localgov/audits/schools/2016/cohoes.pdf>.

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

TAX INFORMATION

Real Property Tax Assessments and Rates

TABLE 6
Real Property Tax Assessments and Rates
Regular Equalization Ratio

(Fiscal Years Ending June 30:)

Assessment Roll Year:	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Tax Year:	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-2017</u>	<u>2017-2018</u>
Assessed Value	\$404,827,286	\$408,422,294	\$405,779,196	\$415,242,862	\$459,076,78
Equalization Rate ⁽²⁾	56.00%	54.00%	54.00%	49.80%	49.80%
Full Value	\$722,905,868	\$756,337,582	\$751,442,956	\$833,821,008	\$850,140,815
Tax Rate ⁽¹⁾	\$35.73	\$35.65	\$36.24	\$35.42	\$35.40

Real Property Tax Assessments and Rates
Special Equalization Ratio

Assessment Roll Year:	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Tax Year:	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Assessed Value:	\$403,496,970	\$404,827,286	\$408,422,294	\$405,779,196	\$451,555,586
Special Equalization Rate ⁽²⁾	53.42 %	53.44%	52.10%	50.67%	48.18%
Full Value:	\$755,329,408	\$757,536,089	\$783,919,950	\$800,827,306	\$836,213,973

(1) Per \$1,000.

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

Source: School 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.

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to all local governments, including school districts

(with the exception of New York City, and the counties comprising New York City). The discussion herein does not include school districts in New York City, Buffalo, Rochester, Syracuse, or Yonkers.

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

The Tax Levy Limitation Law now requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. It expires on June 15, 2020. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases or changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district could exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a budget by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

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

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures", are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy", and this is an exclusion from the tax levy limitation.

Real Property Tax Rebate (Chapter 59 and Chapter 20)

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

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

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

NYSUT Lawsuit

On February 20, 2013, the New York State United Teachers (“NYSUT”) organization filed a lawsuit against the State challenging the Tax Levy Limitation Law as applied to school districts on multiple federal and state constitutional grounds. The Board of Education of the District did not join the NYSUT lawsuit as a plaintiff. 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. After the ruling, NYSUT amended its complaint to include a challenge to the Chapter 59 Real Property Tax Rebate, also on federal and state constitutional grounds. On March 16, 2015, all causes of action contained in the amended complaint were dismissed. NYSUT has stated that the organization will appeal the decision; therefore, the ultimate outcome of this litigation cannot be determined at this time. On May 5, 2016 the state Appellate Division’s Third Department has upheld a lower court’s decision to dismiss a suit brought in 2013. A NYSUT spokesman said that while the union was still reviewing the decision, the plaintiffs are very likely to take the case to the state Court of Appeals.

Tax Collection Procedure

Taxes are due September 1st and may be paid through September 30th with no penalty. For full payments received after September 30th, an interest penalty is added.

Through contractual agreement, all taxes are collected by HSBC Bank on behalf of the District. No payments are accepted after March 31st. Penalties beyond those determined appropriate by the School District (1% per month) in an amount determined by the City of Cohoes, apply to all payments accepted after March 31st. Taxes remaining uncollected after the expiration of the second collection period are turned over to the City of Cohoes for collection. The City forwards taxes collected after March 31st to the District in accordance with subdivision 5 of Section 1332 of the Real Property Tax Law. Said section indicates that once a month all moneys, including interest (although the City retains the additional 5% interest penalty it currently adds on to the unpaid tax and interest) realized from City collection of unpaid school taxes, are turned over to the School District Treasurer. By October 15th, unpaid school taxes are relieved to Albany County. Within thirty (30) days the City pays to the School District Treasurer the amount of remaining unpaid taxes.

TABLE 7
Tax Levy and Collection Record

FYE: June 30:	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total Tax Levy	\$13,737,364	\$14,465,707	\$14,565,104	\$14,710,750	\$14,949,499
Amount Uncollected	393,999	469,467	588,393	720,307	N/A
% Uncollected	2.87%	3.24%	4.04%	4.90%	N/A

Source: School Officials.

STAR - School Tax Exemption

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

<u>City of:</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>
Cohoes	\$32,620	\$14,940

Date Certified: 4/7/17

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

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

The maximum savings for each of the municipalities within the District for the 2016-17 are as follows:

<u>City of:</u>	<u>Basic Maximum Savings</u>	<u>Enhanced Maximum Savings</u>
Cohoes	\$585	\$1,274

Updated: 7/17/17

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

Ten of the Largest Taxpayers

The following table presents the taxable valuations of the District's ten largest taxpayers on the 2016 Assessment Roll of the City used to levy 2017-2018 taxes.

TABLE 8
Taxable Assessments

<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Taxable Valuation</u> ⁽¹⁾	<u>% of Taxable Assessed Valuation</u>
National Grid	Utility	\$12,263,057	3.02%
Erie Blvd. Hydropower LP	Utility	6,864,312	1.69%
CDP Lexington Hills, LLC	Apartments	6,832,832	1.68%
Riverwalk	Apartments	4,525,400	1.12%
Waterside Senior, LLC	Apartments	3,648,000	0.90%
Capital District Apartments	Apartments	3,440,000	0.85%
Columbia Gardens	Apartments	3,330,000	0.82%
Mohawk Paper Mills Inc.	Manufacturer	2,866,700	0.71%
Captain's Lookout Dev	Manufacturer	2,625,400	0.65%
Ogden Mills	Apartments	<u>2,587,700</u>	<u>0.64%</u>
		<u>\$44,671,567</u>	<u>11.01%</u>

⁽¹⁾ Represents 11.01% of the District's 2017-18 Assessed Valuation of \$451,555,586 used to levy 2017-2018 taxes.

DISTRICT INDEBTEDNESS

Constitutional Requirements

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

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

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

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

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

Statutory Procedure

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds and notes in anticipation of the bonds. With respect to certain school building construction projects, the District is not permitted to spend in excess of \$100,000 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 Board of Education, as the finance board of the District, has the power to enact tax anticipation note resolutions. Such resolutions may authorize the issuance of tax anticipation notes in an aggregate principal amount necessary to fund anticipated cash flow deficits but in no event exceeding the amount of real property taxes levied or to be levied by the District, less any tax anticipation notes previously issued and less the amount of such taxes previously received by the District.

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

Debt Limit. The District has the power to contract indebtedness for any District purpose so long as the principal amount thereof shall not exceed five per centum of the average full valuation of taxable real estate of the District and subject to certain enumerated deductions such as State aid for building purposes. The constitutional and statutory method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio which such assessed valuation bears to the full valuation as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined.

Table 9
Computation of Debt Limit

<u>Tax Year:</u>	<u>Full Valuation</u> ⁰
2013-14	\$755,329,408
2014-15	757,536,089
2015-16	783,919,950
2016-17	800,827,306
2017-18	826,213,973
Total Five Year Valuation	<u>\$3,923,826,726</u>
Average Five Year Full Valuation	<u>\$784,765,345</u>
Debt Limit - 5% of Average Full Valuation	<u>\$39,238,267</u>

- (1) The amounts shown as full valuation have been computed with the use of Special Equalization Ratios (See Table 6). Chapter 280 of the Laws of 1978 provides for the determination of special equalization ratios for city school districts, which normally has the effect of increasing the tax base of a city school district for the purpose of computing debt limits of such city school districts. Regular state equalization rates are also established by the State Office of Real Property Services and are used for all other purposes.

Statutory Debt Limit and Net Indebtedness

TABLE 10
Statutory Debt Limit and Net Indebtedness

	<u>As of November 8, 2017</u>
Average Full Valuation of Taxable Real Property	\$784,765,345
Debt Limit (5% of Average Full Valuation)	39,238,267
Outstanding Indebtedness:	
Bonds	\$23,310,000
Bond Anticipation Notes	<u>0</u>
Total Inclusions	\$23,310,000
Less Exclusions:	
Estimated Building Aid ⁽¹⁾	0
Appropriations	<u>0</u>
Total Exclusions	<u>\$ 0</u>
Total Net Indebtedness	\$ 23,310,000
Net Debt-Contracting Margin	<u>\$ 15,928,267</u>
Percentage of Debt-Contracting Margin Exhausted	59.40%

- (1) The District has received and expects to continue to receive State Aid on a portion of existing indebtedness contracted for school building purposes pursuant to Section 121.20 of the Local Finance Law, but, under the Local Finance Law, as a small city school district, it is not permitted to deduct such anticipated State building aid from its outstanding indebtedness. However, as a matter of information, State aid for building purposes is currently estimated by District officials at 82.7%.

Source: District Officials.

Remedies Upon Default

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

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

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

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

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

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

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

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

Short-Term Note Indebtedness

The District has no bond anticipation notes outstanding.

Trend of Capital Indebtedness

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

TABLE 12
Direct Capital Indebtedness Outstanding
(For Fiscal Year Ending June 30:)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Bonds	\$ 37,870,000	\$33,375,000	\$29,915,000	\$26,645,000	\$23,310,000
BANs	0	0	0	0	0
Other Debt ⁽¹⁾	<u>158,151</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 38,028,151</u>	<u>\$33,375,000</u>	<u>\$29,915,000</u>	<u>\$26,645,000</u>	<u>\$23,310,000</u>

⁽¹⁾ Represents Energy Performance Contracts

Source: Audited Financial Statements of the District for 2013-2017.

Overlapping and Underlying Debt

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

TABLE 13
Statement of Direct and Overlapping Indebtedness

<u>Issuer</u>	<u>Net Debt</u> <u>Outstanding</u>	<u>As of</u>	<u>District</u> <u>Share</u>	<u>Amount Applicable</u> <u>To District</u>
County of Albany	\$257,966,090	05/06/17	3.32%	\$8,564,474
City of Cohoes	12,871,351	12/31/15	100.00%	<u>12,445,309</u>
Total Net Overlapping Debt				\$21,009,783
Total Net Direct Debt				<u>23,310,000</u>
Net Direct and Overlapping Debt				<u>\$44,319,783</u>

Debt Ratios

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

TABLE 14
Debt Ratios

	<u>Amount</u>	<u>Debt Per Capita</u> ⁽¹⁾	<u>Debt to Full Value</u> ⁽²⁾
Net Direct Debt	\$23,310,000	\$1,441	2.83%
Net Direct and Overlapping Debt	\$44,319,783	2,741	5.36%

⁽¹⁾ The population of the District is currently estimated by District Officials to be 16,168.

⁽²⁾ The District’s full value of taxable real property using special equalization rates for fiscal year 2017-18 is \$826,213,973

Authorized and Unissued Indebtedness

The District does not have any authorized but unissued indebtedness.

Debt Service Schedule

The following table shows the debt service requirements, including refunded debt, to maturity on the District’s outstanding bonded indebtedness (as of October 30, 2017).

TABLE 15
Bond Principal and Interest Maturity Table

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u> ⁽¹⁾	<u>Total Debt Service</u>
2018	\$ 3,365,000	\$ 303,222	\$ 3,668,222
2019	3,145,000	454,788	3,599,788
2020	3,195,000	384,966	3,579,966
2021	3,265,000	316,970	3,581,970
2022	3,325,000	242,508	3,567,508
2023	3,400,000	165,647	3,565,647
2024	2,185,000	83,789	2,268,789
2025	875,000	51,585	926,585
2026	<u>555,000</u>	<u>24,975</u>	<u>579,975</u>
Totals:	<u>\$23,310,000</u>	<u>\$2,028,450</u>	<u>\$25,338,450</u>

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

ECONOMIC AND DEMOGRAPHIC DATA

Population

The District estimates its population to be approximately 16,168 according to the, 2010 U.S. Census estimate. The following table presents population trends for the City of Cohoes (the “City”), County and State, based upon recent census data.

TABLE 16
Population Trend

	<u>2000</u>	<u>2010</u>	Percentage Change
			<u>00/10</u>
City	15,521	16,168	4.1%
County	294,565	304,204	0.7%
State	18,976,457	19,378,102	5.5%

Source: New York State Department of Commerce; New York State Department of Economic Development.

Income

The following table presents median per capita income for the City, County and State. Data provided in the following table is not necessarily representative of the District.

TABLE 17
Median Per Capita Income

	<u>2000</u>	<u>2010</u>
City	\$18,416	\$24,815
County	23,345	30,863
State	23,389	30,948

Source: New York State Department of Commerce; New York State Department of Economic Development.

Employment and Unemployment

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

TABLE 18
Civilian Labor Force

	(Thousands)				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
County	160.7	160.3	158.1	158.9	158.8
State	9,612.2	9,623.1	9,570.7	9,591.2	9,584.5

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

TABLE 19
Yearly Average Unemployment Rates

<u>Year</u>	<u>County</u>	<u>State</u>
2012	7.1%	8.5%
2013	6.0%	7.7%
2014	4.9%	6.3%
2015	4.3%	5.3%
2016	4.0%	4.8%

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

TABLE 20
Monthly Unemployment Rates

<u>Month</u>	<u>County</u>	<u>State</u>
October 2016	3.9%	4.8%
November	3.8%	4.5%
December	3.8%	4.5%
January 2017	4.3%	4.9%
February	4.4%	5.0%
March	3.8%	4.4%
April	3.9%	4.2%
May	3.9%	4.3%
June	4.4%	4.5%
July	4.4%	4.9%
August	4.3%	4.9%
September	4.2%	4.7%

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

TABLE 21
Five Largest Employers

<u>Name</u>	<u>Type of Product or Service</u>	<u>Approximate Number of Employees</u>
The Eddy	Nursing Care	500
Cohoes City School District	Public Education	405
Mohawk Paper Mill	Manufacturing	400
City of Cohoes	Municipal Government	200
Key Bank	Banking	115

Source: School District Officials.

LITIGATION

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

END OF APPENDIX A

APPENDIX B
FINANCIALS

Cohoes City School District
Statement of Budgeted Appropriations and Estimated Revenues
General Fund
Fiscal Year Ending June 30:

	Adopted <u>2017</u>	Adopted <u>2018</u>
Revenues:		
Real Property Taxes	\$12,617,761	\$12,856,505
Other Tax Items	3,443,485	3,449,326
Non-Property Taxes	680,050	660,100
Charges For Services	214,300	200,400
Use of Money & Property	111,000	18,023
Sale of Property & Compensation for Loss	36,000	44,100
Miscellaneous	231,150	287,150
Interfund Transfers	1,668,600	1,233,730
State Aid	21,674,701	22,300,011
Federal Aid	135,000	180,000
Subtotal	<u>40,812,047</u>	<u>41,229,345</u>
Appropriated Fund Balance	613,541	596,855
Total Revenue and Fund Balance	<u><u>\$41,425,588</u></u>	<u><u>\$41,826,200</u></u>
Appropriations:		
General Support	\$4,774,198	\$4,555,444
Instruction	20,204,640	20,434,739
Public Transportation	1,242,974	1,446,758
Employee Benefits	11,254,000	11,452,913
Debt Service	3,900,776	3,887,346
Interfund Transfers	49,000	49,000
Total Appropriations	<u><u>\$41,425,588</u></u>	<u><u>\$41,826,200</u></u>

Source: Adopted Budgets of the District

Cohoes City School District
Comparative Balance Sheet
General Fund
Fiscal Year Ending June 30:

	<u>2016</u>	<u>2017</u>
<u>Assets:</u>		
Unrestricted Cash	\$6,166,306	\$4,377,545
Restricted Cash	2,650,752	2,039,343
Taxes Receivable	677,486	682,230
Due from other Funds	2,388,783	4,454,325
Due from State and Federal	479,234	593,925
Due from other Governments	561,946	829,465
Other	209,925	112,474
Total Assets	<u>\$13,134,432</u>	<u>\$13,089,307</u>
<u>Liabilities:</u>		
Accrued Liabilities	0	61,077
Due to other funds	3,115,320	3,441,970
Due to Teacher's Retirement System	1,951,264	1,766,934
Due to Employees' Retirement System	170,609	125,936
Compensated Absences Payable	402,612	374,252
Total Liabilities	<u>\$5,639,805</u>	<u>\$5,770,169</u>
<u>Fund Balances:</u>		
Restricted	\$2,780,847	\$3,226,766
Assigned	1,169,666	1,262,431
Unassigned	3,544,114	2,829,941
	<u>\$7,494,627</u>	<u>\$7,319,138</u>
Total Liabilities and Fund Equity	<u>\$13,134,432</u>	<u>\$13,089,307</u>

Source: Audited Financial Statements of the District although this summary table itself has not been audited.

Cohoes City School District
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
Fiscal Year Ending June 30:

Revenues:	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Real Property Taxes and Other Tax Items	\$14,837,625	\$15,551,038	\$15,791,296	\$16,110,413	\$16,038,643
Non Property Taxes	504,638	682,180	592,528	592,286	426,124
Charges for Services	75,785	145,800	258,364	296,424	199,304
Use of Money and Property	188,756	13,887	110,280	15,616	15,668
Sale of Property and Comp. for Loss	0	22,532	34,426	18,276	41,802
Miscellaneous	350,692	263,039	488,153	309,577	307,803
Interfund Revenue	79,400	54,561	30,885	41,904	40,989
State Sources	20,813,650	20,944,410	21,345,249	20,847,107	20,695,186
Federal Sources	219,346	192,834	102,849	206,857	267,101
Total Revenues and Other Sources	<u>\$37,069,892</u>	<u>\$37,870,281</u>	<u>\$38,754,030</u>	<u>\$38,438,460</u>	<u>\$38,032,620</u>
Expenditures:					
General Support	\$3,361,132	\$3,655,042	\$3,728,979	\$3,997,868	\$4,085,267
Instruction	17,276,578	17,109,151	18,146,494	19,055,945	19,694,806
Pupil Transportation	880,701	1,016,368	1,216,684	1,050,317	1,073,207
Employee Benefits	8,675,454	9,369,555	10,296,621	10,068,531	10,141,815
Debt Service	5,812,081	5,488,482	4,184,569	3,909,704	3,900,754
Total Expenditures	<u>\$36,005,946</u>	<u>\$36,638,598</u>	<u>\$37,573,347</u>	<u>\$38,082,365</u>	<u>\$38,895,849</u>
Excess of Revenues over Expenditures	1,063,946	1,231,683	1,180,683	356,095	(863,229)
Other Sources and (Uses):					
Interfund Transfers	<u>(49,200)</u>	<u>217,478</u>	<u>205,841</u>	<u>450,828</u>	<u>687,740</u>
Excess Revenues (Expenditures) and other sources (uses)	1,014,746	1,449,161	1,386,524	806,923	(175,489)
Fund Balance - Beg. of Fiscal Year	<u>2,837,273</u>	<u>3,852,019</u>	<u>5,301,180</u>	<u>6,687,704</u>	<u>7,494,627</u>
Fund Balance - End of Fiscal Year	<u><u>\$3,852,019</u></u>	<u><u>\$5,301,180</u></u>	<u><u>\$6,687,704</u></u>	<u><u>\$7,494,627</u></u>	<u><u>\$7,319,138</u></u>

Source: Audited Financial Statements of the District although this summary table itself has not been audited.

APPENDIX C

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

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

<https://emma.msrb.org/EP1029038-EP797285-EP1198788.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. Stark and Basila 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.**