RENEWAL AND NEW ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Hodgson Russ LLP, Albany, New York, Bond Counsel, under existing statutes, regulations, rulings and court decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants described in "Tax Exemption" herein, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is further of the opinion that interest on the Notes is not treated as a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Furthermore, Bond Counsel is of the opinion that, under existing statutes, interest on the Notes is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York).

*The Notes will **NOT** be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes. See "TAX EXEMPTION" herein.*

CITY SCHOOL DISTRICT OF THE CITY OF ELMIRA
CHEMUNG COUNTY, NEW YORK

$21,000,000
BOND ANTICIPATION NOTES – 2018
(the "Notes")

Date of Issue: June 27, 2018 **Maturity Date:** June 27, 2019

The Notes are general obligations of the City School District of the City of Elmira, in Chemung County, New York (the "District"), for the payment of which the District has pledged its faith and credit. All of the taxable real property within the District is subject to the levy of ad valorem taxes without limitation as to rate or amount to pay both principal of and interest on the Notes (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York [the "Tax Levy Limit Law"]; see "TAX INFORMATION-Tax Levy Limit Law," herein).

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

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

If the Notes are registered in the name of the purchaser(s), principal of and interest on the Notes will be payable in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State of New York as may be selected by the successful bidder(s). In such case, one fully registered note certificate will be issued for the Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate.

The Notes are offered when, as and if issued and received by the purchaser and subject to the approval of the legality thereof by Hodgson Russ LLP, Albany, New York, Bond Counsel. Capital Markets Advisors, LLC has served as Municipal Advisor to the District in connection with the issuance of the Notes. It is anticipated that the Notes will be available for delivery through the facilities of DTC, located in Jersey City, New Jersey or as may be agreed upon with the purchaser(s) on or about June 27, 2018.

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF RULE 15c2-12 UNDER THE SECURITIES AND EXCHANGE ACT OF 1934, AS AMENDED (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 NOTES. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE NOTES. UNDER CERTAIN CIRCUMSTANCES, THE DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN DESIGNATED EVENTS FOR THE NOTES, AS REQUIRED BY THE RULE. SEE "DISCLOSURE UNDERTAKING FOR THE NOTES," HEREIN.

Dated: June 12, 2018

CITY SCHOOL DISTRICT OF THE CITY OF ELMIRA
CHEMUNG COUNTY, NEW YORK

BOARD OF EDUCATION

Ms. Sara Lattin
President

Mary Tucker	Vice President
Maryann Friebis	Board Member
Lynn Grottenthaler	Board Member
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Deborah White	Board Member

Hillary Austin	Superintendent of Schools
Melissa Mendolera	School District Business Administrator
Bernadette Sramek	District Treasurer
Kathleen McDarby	District Clerk

BOND COUNSEL

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

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APPENDIX A

OFFICIAL STATEMENT

CITY SCHOOL DISTRICT OF THE CITY OF ELMIRA
CHEMUNG COUNTY, NEW YORK

relating to

$21,000,000
BOND ANTICIPATION NOTES – 2018
(the "Notes")

This Official Statement (the "Official Statement"), which includes the cover page and appendices hereto, presents certain information relating to the City School District of the City of Elmira, in the State of New York (the "District" and "State" respectively), in connection with the sale of $21,000,000 Bond Anticipation Notes – 2018 (the "Notes").

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

The presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other information presented herein has been provided by the District.

THE NOTES

Description

The Notes will be dated June 27, 2018, and will mature, without option of prior redemption, on June 27, 2019. Interest will be calculated on a 30-day month and a 360-day year basis, payable at maturity.

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

If the Notes are issued through DTC, the Notes 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 Notes. Individual purchases will be made in book-entry-only form, in the principal amount of $5,000 or integral multiples thereof, and ownership interests in the Notes will be transferred pursuant to the book-entry system. Purchasers of the Notes will not receive certificates representing their ownership interest in the Notes. Payments of principal of and interest on the Notes will be made by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Notes. (See "Book-Entry Only System" herein.)

If the Notes are registered in the name of the purchaser(s), principal of and interest on the Notes will be payable in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State of New York as may be selected by the successful bidder(s). In such case, one fully registered note certificate will be issued for the Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate.

Authority for and Purpose of the Notes

The Notes are issued pursuant to the Constitution and Laws of the State, including the Local Finance Law and a bond resolution dated March 16, 2016 and a public vote of the qualified voters of the District dated May 17, 2016, authorizing a maximum aggregate amount of $43,000,000 in serial bonds along with $8,000,000 in capital reserves for various purposes.

The proceeds of the Notes, along with $4,000,000 of District funds, will be used to redeem and renew in part, $10,000,000 of bond anticipation notes maturing on June 28, 2018 as well as provide $15,000,000 of new money financing.

Optional Redemption for the Notes

The Notes are not subject to redemption prior to maturity.

NATURE OF THE OBLIGATION

The Notes, when duly issued and paid for, will constitute a contract between the District and the holder(s) thereof.

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest, the District has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the District, without limitation as to rate or amount (subject to certain statutory limitations imposed by the Tax Levy Limit Law); see "TAX INFORMATION-Tax Levy Limit Law," herein.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate therefor. On June 24, 2011, the Tax Levy Limit 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). The Tax Levy Limit Law had its first application with respect to the District's budget for Fiscal Year 2012-2013. The Tax Levy Limit Law does make certain allowances for the exclusion of tax levy increases associated with capital expenses by school districts. See "TAX INFORMATION-Tax Levy Limit 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 Limit Law. See "DISTRICT INDEBTEDNESS—Remedies Upon Default," herein.

BOOK-ENTRY ONLY SYSTEM

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

Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

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

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

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

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

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

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

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

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 NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, 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 NOTES; (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 NOTES.

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

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

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

TAX EXEMPTION

The Notes

Hodgson Russ LLP, of Albany, New York, Bond Counsel, will deliver an opinion that, under existing law, the interest on the Notes is excluded from gross income of the holders thereof for federal income tax purposes and is not an item of tax preference for the purpose of the individual alternative minimum tax imposed by the Code. However, such opinion will note that the District, by failing to comply with certain restrictions contained in the Code, may cause interest on the Notes to become subject to federal income taxation from the date of issuance of the Notes. Prospective purchasers should consult their tax advisers as to any possible collateral consequences from their ownership of, or receipt of interest on, or disposition of, the Notes. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

Tax Requirements

In rendering the foregoing opinions, Hodgson Russ LLP will note that the exclusion of the interest on the Notes from gross income for federal income tax purposes is subject to, among other things, continuing compliance by the District with the applicable requirements of Code sections 141, 148, and 149, and the regulations promulgated thereunder (collectively, the "Tax Requirements"). In the opinion of Hodgson Russ LLP, the tax certificate and nonarbitrage certificate that will be executed and delivered by the District in connection with the issuance of the Notes (collectively, the "Tax Certificates") establish the requirements and procedures, compliance with which will satisfy the Tax Requirements.

The Tax Requirements referred to above, which must be complied with in order that interest on the Notes remains excluded from gross income for federal income tax purposes, include, but are not limited to:

1 The requirement that the proceeds of the Notes be used in a manner so that the Notes are not obligations which meet the definition of a "private activity bond" within the meaning of Code section 141;

2 The requirements contained in Code section 148 relating to arbitrage bonds; and

3 The requirements that payment of principal or interest on the Notes not be directly or indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof) as provided in Code section 149(b).

In the Tax Certificates, the District will covenant to comply with the Tax Requirements, and to refrain from taking any action which would cause the interest on the Notes to be includable in gross income for federal income tax purposes. Any violation of the Tax Requirements may cause the interest on the Notes to be included in gross income for federal income tax purposes from the date of issuance of the Notes. Hodgson Russ LLP expresses no opinion regarding other federal tax consequences arising with respect to the Notes.

Bank Qualified

The Notes will NOT be designated as "qualified tax-exempt obligations" pursuant to Code section 265.

Other Impacts

Prospective purchasers of the Notes should be aware that ownership of, accrual or receipt of interest on, or disposition of, the Notes may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences from their ownership of, or receipt of interest on, or disposition of, the Notes. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to non-corporate holders with respect to payments of principal, payments of interest, and the proceeds of the sale of a bond or note before maturity within the United

States. Backup withholding may apply to a holder of the Notes under Code section 3406, if such holder fails to provide the information required on Internal Revenue Service ("IRS") Form W-9, Request for Taxpayer Identification Number and Certification, or the IRS has specifically identified the holder as being subject to backup withholding because of prior underreporting. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's United States federal income tax provided the required information is furnished to the IRS. Neither the information reporting requirement nor the backup withholding requirement affects the excludability of interest on the Notes from gross income for federal income tax purposes.

Future Legislation

Bond Counsel has not undertaken to advise in the future whether any events occurring after the date of issuance of the Notes may affect the tax status of interest on the Notes. The Code has been continuously subject to legislative modifications, amendments, and revisions, and proposals for further changes are regularly submitted by leaders of the legislative and executive branches of the federal government.

No representation is made as to the likelihood of such proposals being enacted in their current or similar form, or if enacted, the effective date of any such legislation, and no assurances can be given that such proposals or amendments will not materially and adversely affect the economic value of the Notes or the tax consequences of ownership of the Notes.

New York State Taxes

In the opinion of Bond Counsel, interest on the Notes is exempt, under existing statutes, from New York State and New York City personal income taxes.

Miscellaneous

All quotations from and summaries and explanations of provisions of laws do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

ALL PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE NOTES.

DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES

Absence of Litigation

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

Legal Matters

Legal matters incident to the authorization, issuance and sale of the Notes will be subject to the final approving opinion of Hodgson Russ LLP, Bond Counsel. Such opinion will be available at the time of delivery of the Notes and will be to the effect that the Notes 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 Notes and interest thereon without limitation of rate or amount (subject to certain statutory limitations imposed by the Tax Levy Limit Law; see "TAX INFORMATION-Tax Levy Limit Law," herein). Said opinion shall also contain further statements to the effect that (a) the enforceability of rights or remedies with respect to such Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted, and (b) said 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 have been or may have been furnished or disclosed to purchasers of the Notes, 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 Notes, the Purchasers will be furnished with the following items: (i) a Certificate of the President of the Board of Education to the effect that as of the date of this Official Statement and at all times subsequent thereto, up to and including the time of the delivery of the Notes, this Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, and further stating that there has been no adverse material change in the financial condition of the District since the date of this Official Statement to the date of issuance of the Notes; and having attached thereto a copy of this Official Statement; (ii) a Certificate signed by the President of the Board of Education evidencing payment for the Notes; (iii) a Signature Certificate evidencing the due execution of the Notes, including statements that (a) no litigation of any nature is pending or, to the knowledge of the signers, threatened, restraining or enjoining the issuance and delivery of the Notes or the levy and collection of taxes to pay the principal of and interest thereon, nor in any manner questioning the proceedings and authority under which the Notes were authorized or affecting the validity of the Notes thereunder, (b) neither the corporate existence or boundaries of the District nor the title of the signers to their respective offices is being contested, (c) no authority or proceedings for the issuance of the Notes have been repealed, revoked or rescinded; and (iv) a Tax Regulatory Agreement executed by the President, as described under "Tax Exemption" herein.

DISCLOSURE UNDERTAKING FOR THE NOTES

This Official Statement is in a form "deemed final" by the District for the purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). At the time of the delivery of the Notes, unless the Notes are purchased for the buyers own account as principal for investment and not for resale, the District will provide an executed copy of its "Undertaking to Provide Notice of Certain Designated Events" (the "Undertaking"). Such Undertaking will constitute a written agreement or contract of the District for the benefit of holders of and owners of beneficial interests in the Notes, to provide, or cause to be provided, to (i) the Electronic Municipal Market Access ("EMMA") system established and operated by the Municipal Securities Rulemaking Board ("MSRB") currently at http://www.emma.msrb.org, or such other similar system established and operated by the MSRB, and (ii) the appropriate state information depository ("SID"), if any, for the State of New York, as designated by the Commission in accordance with the Rule, notice of the occurrence of any of the following events with respect to the Notes in a timely manner (i.e., not in excess of ten business days after the occurrence of the event):

> (i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, 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 or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (vii) modifications to rights of Noteholders, 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 Notes; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event 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 the 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 Notes.

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.

With respect to event (xii), 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.

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 Notes; but the District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The District's Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Notes shall have been paid in full. 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 Notes, 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 Notes.

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 as then in effect.

Prior Disclosure History

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

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 financial advisor to the District in connection with this transaction.

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

RATINGS

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

S&P currently assigns a rating of “A” (Stable) long-term underlying rating of the District, based on the District's eligibility and participation in the New York State Aid Intercept program and has assigned an “A” (Stable) issuer credit rating for the District.

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

ADDITIONAL INFORMATION

Additional information may be obtained from the School Business Administrator and Paying Agent Contact, Ms. Melissa Mendolera, City School District of the City of Elmira, 951 Hoffman Street, Elmira, New York, 14905, phone: (607) 735-3057, email: mmendolera@elmiracityschools.com or from the District's Financial Advisor, Capital Markets Advisors, LLC, (716) 662-3910.

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

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.

CITY SCHOOL DISTRICT OF THE CITY OF ELMIRA
CHEMUNG COUNTY, NEW YORK

By: /s/ _*Sara Lattin*______________________
Ms. Sara Lattin
Board of Education President

Dated: June 12, 2018

<u>APPENDIX A</u>

THE DISTRICT

THE DISTRICT

General Information

The District, with a population of approximately 48,734 according to the 2010 U.S. Census, is located in the City of Elmira (the "City"). The District has a land area of approximately 110 square miles and is situated in the County of Chemung.

Elmira is located at the crossroads of Interstate 86, the east-west "Southern Tier Expressway" and NYS Route 14, which runs north-south. The District is served by airlines operating out of the Elmira-Corning Regional Airport. Rail service is provided by Conrail. Public utilities serving the District include NYS Electric & Gas Corporation and Verizon New York Inc. Major employers of the city are the Arnot Ogden Medical Center, the District, Hardinge Brothers, Inc. and St. Joseph's Hospital. Residents of the District also commute to nearby Corning, working for Corning Inc. and Ingersoll Rand.

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, which consists of nine members including the President and Vice President. Board members are elected for overlapping terms of three years. The administrative officers of the District, whose duty it is to implement the policies of the Board of Education and who are appointed by such Board, include the Superintendent of Schools (which is currently vacant), School Business Official, District Clerk and District Treasurer.

District Facilities

The District currently operates the following facilities:

TABLE 1
School Statistics

Name of School	Grades	Year of Construction	Year of Last Addition	State Rated Capacity
Thomas K. Beecher	Pre-K - 5	1934	2005	370
Arthur W. Booth	Pre-K - 5	1954	2002	648
Parley Coburn	Pre-K - 5	1931	2005	437
George M. Diven	Pre-K - 5	1930	2004	492
Pine City Elementary	Pre-K - 5	1961	2004	492
Riverside School	Pre-K - 5	1940	2005	492
Hendy Avenue	Pre-K - 5	1929	2005	480
George Washington*	K - 5	1940	2005	370
Broadway School	Pre-K - 5	1962	2003	1,331
Ernie Davis*	6-8	1913	2003	883
J. Sloat Fassett	7-12	1950	2005	228
Ernie Davis Academy	9-12	1963	2003	1,447
Elmira High School	9-12	1979	2004	1,479
Total Capacity				8,712

** George Washington and Ernie Davis Schools are closed and currently for sale.*

Source: School Officials

Financial Organization

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

Employees

There are approximately 1,321 people employed by the District including approximately 260 part-time temporary employees and personnel not represented by any bargaining group. The collective bargaining agents, if any, which represent District employees and the dates of expirations of the various collective bargaining agreements are as follows:

TABLE 2
Employees

Approximate # of Employees	Union	Contract Expiration Date
512	Elmira Teachers Association (NYSUT)	6/30/17*
288	Instructional Support Employee's Association (NYSUT)	6/30/18
147	Custodial, Maintenance & Cafeteria Workers (NYSUT)	6/30/18
34	Elmira Schools Supervisory & Administrative Counsel (SAANYS)	6/30/19
80	Communication Workers of America (CWA)	6/30/19

**Currently under negotiations*
Source: School Officials

Employee Pension Benefits

All non-teaching and non-certified administrative employees of the District are 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"). Payments to the Retirement System (ERS and TRS) are deducted from the School District's State aid payments.

Both the New York State and Local Employees' Retirement System and the New York State Teachers Retirement System (together, the "Retirement Systems") are non-contributing with respect to members hired prior to July 27, 1976. The Retirement Systems are non-contributory with respect to members working ten or more years except for Tiers V and VI as described below. Employees hires on or after April 1, 2013 have a variable contribution amount. See further details herein.

The following table details the actual contributions to ERS and TRS for the past three audited fiscal years and the current and ensuing budgeted fiscal years:

Year Ended	ERS	TRS
2019 *Budgeted*	$2,200,000	$3,900,000
2018 *Budgeted*	2,150,000	3,802,080
2017	1,751,188	4,545,078
2016	2,532,285	5,974,257
2015	1,852,719	5,973,449

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 ERS rate for the 2016-17 fiscal year is 16.1%. The 2017-18 ERS rate is not expected to change. The New York State TRS rate for the 2016-17 fiscal year is 11.72%. The 2017-18 TRS rate is expected to be 9.8%.

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

In Spring 2013, the State and TRS approved a Stable Contribution Option ("SCO") that gives school districts the ability to better manage the spikes in Actuarially Required Contribution rates ("ARCs"). ERS followed suit and modified its existing SCO, which was adopted in 2010. Each plan allows school districts to pay the SCO amount in lieu of the ARC amount, which is higher, and defer the difference in payment amounts as described below. The plan, which was approved in Governor Cuomo's 2014-15 budget would let districts contribute 14.13% of employee costs toward pensions.

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

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

Other Post-Employment Benefits

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

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

GASB 45 will require municipalities and school districts to account for OPEB liabilities much like they already account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and for 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 its compliance in meeting its ARC.

Actuarial valuation will be required every two years for OPEB plans with more than 200 members, and every three years if there are less than 200 members.

The District continues funding the expenditure on a pay-as-you-go basis.

See “Note 11” of 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 years ending June 30, 2016 and 2017:

	2016	**2017**
Annual Required Contribution	$28,321,450	$33,250,149
Increase in net OPEB obligation (as of beginning of year)	4,581,774	5,252,220
Annual Required Contribution adjustment	(6,624,112)	(7,593,410)
Annual OPEB costs (expense)	26,279,112	30,908,959
Contributions made	(9,517,978)	(10,226,400)
Increase in net OPEB obligation	16,761,134	20,682,559
Net OPEB obligation – beginning of the year	114,544,361	131,305,495
Net OPEB obligation – end of year	$131,305,495	$151,988,054

Source: Audited Financial Statements. Table itself not audited.

As of July 30, 2017, the plan was not funded. The unfunded actuarial accrued liability for benefits for governmental activities was $347,853,358.

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 monies 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 monies 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, tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes 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 monies 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 monies 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.

FINANCIAL FACTORS

Revenues

The District receives most of its revenue from a real property tax on all non-exempt real property situated within the District and State aid.

Property Tax

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

TABLE 3
Property Taxes

Fiscal Year	Total Revenues	Real Property Taxes and Tax Items	Real Property Taxes to Revenues
2013	$110,785,021	$31,556,550	28.5%
2014	114,287,465	32,297,118	28.3%
2015	117,586,700	32,854,674	27.9%
2016	121,452,692	33,162,934	27.3%
2017	126,493,775	33,184,230	26.2%
2018 *Budget*	127,201,994	33,001,508	25.9%
2019 *Budget*	127,885,274	33,496,850	26.2%

Source: District's audited financial statements and 2018 and 2019 budget. Table itself not audited.

State Aid

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

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

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

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

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

The Gap Elimination Adjustment (GEA) law was first introduced for the 2010-11 fiscal year (although it existed in 2009-10 and was called "Deficit Reduction Assessment") as a way to help close the State's then $10 billion budget deficit. Under legislation, a portion of the funding shortfall at the state level is divided among all school districts throughout the State and reflected as a reduction in school district state aid. The GEA is a negative number, money that is deducted from the aid originally due to the District. Since the program began, the GEA and Deficit Reduction Assessment reduction in State aid for the District has amounted to approximately $3.25 million annually. As a result, the District has been forced to reduce programs, services, and staff accordingly. Beginning in the 2013-14 fiscal year, the State made modest restorations to the GEA. In the 2014-15 fiscal year, the GEA was reduced by $1.65 million, dropping the total GEA to $1.6 million. In the 2015-16 fiscal year, it was reduced by $1.4 million, yielding a remaining annual GEA figure of $122,450. In the 2016-17 fiscal year, the GEA was eliminated.

The Smart Schools Bond Act was passed as part of the Enacted 2014-15 State Budget. The Smart Schools Bond Act authorizes the issuance of $2 billion of general obligation bonds to financed improved educational technology and infrastructure to improve learning and opportunity for students throughout the State. The District's estimated allocation of funds is $7,090,526.

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.

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

TABLE 4
State Aid Revenue

Fiscal Year	**Total Revenues**	**State Aid**	**State Aid to Revenues**
2013	$110,785,021	$75,823,827	68.4%
2014	114,287,465	78,336,200	68.5%
2015	117,586,700	81,124,651	69.0%
2016	121,452,692	83,844,643	69.0%
2017	126,493,775	90,016,840	71.2%
2018 *Budget*	127,201,994	91,087,382	71.6%
2019 *Budget*	127,885,274	91,111,944	71.1%

Source: District's audited financial statements and 2018 and 2019 budget. Table itself not audited.

Recent Events Affecting New York School Districts

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

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

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

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

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

School district fiscal year (2017-18): The State budget provisions relating to the District's fiscal year were adopted on April 9, 2017 and signed by the Governor on April 20, 2017.

The State budget provisions relating to school districts for the forthcoming School District fiscal year were adopted on March 30, 2018.

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 District presently anticipates an increase in its State Aid not related to building aid for its 2018-19 fiscal year in an amount of $1,794,595.

It should also be noted that the District receives federal aid for certain programs. In its last audited fiscal year, the District received $475,251 in such direct federal aid. It is not possible to predict whether such aid will continue in the future, or if continued, whether it will be funded at present levels.

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

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

Independent Audit

The District retains Buffamante Whipple Buttafaro, P.C. as independent certified public accountants to audit its financial statements. Appendix C to the Official Statement presents a copy of the District's most recent audited financial report. In addition, the District is subject to audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State.

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 March 6, 2015, OSC, Division of Local Government and School Accountability released an audit of the District to review selected District's financial condition for the period July 1, 2011 to September 24, 2014. The audit found that the Board and District officials had not appropriately budgeted revenues and appropriations, nor had the District included sufficient detail or information related to funding and use of reserves. The OSC audit recommended that the District adopt budgets that more appropriately reflect the District's needs and that the District set up a more comprehensive reserve policy.

The link to the most recent OSC report is as follows:
http://www.osc.state.ny.us/localgov/audits/schools/2015/elmira.pdf.

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

Fund Structure and Accounts

The General Fund is the general operating fund for the District and is used to account for substantially all revenues and expenditures of the District. The District also maintains a special aid fund, school lunch fund and debt service fund. In addition, a capital projects fund is used to record capital facilities while a trust and agency fund accounts for assets received by the District in a fiduciary capacity.

Basis of Accounting

The District's governmental funds are accounted for on a modified accrual basis whereby revenues, other than those susceptible ("measurable" and "available" to finance current operations) to accrual, are recorded when received in cash. Revenues susceptible to accrual include real property taxes and State aid. The District generally records expenditures on the accrual basis when fund liabilities are incurred, except as follows: Interest on general obligation debt which is recorded when it becomes due. Unfunded pension costs are recognized as expenditure when billed by the State. Accumulated vacation and sick leave are also accounted for in the general long-term debt account group. Inventories are generally not recorded but expensed at the time of purchase; food and supplies in school lunch are inventoried and carried at values which approximate market. Fixed assets are recorded at replacement cost as determined by appraisal; there is no provision for depreciation expense.

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 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 in May each year. A summary of the District's 2016-17 and 2017-18 adopted budgets are shown in Appendix B.

The 2018-19 budget was approved by the qualified voters of the District on May 15, 2018.

The District has not exceeded the tax cap in the last three years as defined in the Tax Levy Limit Law herein.

TAX INFORMATION

Real Property Tax Assessments and Rates

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

Table 5
Assessed and Full Valuation
(Fiscal Years Ending June 30)
Based on Regular Equalization Rates

Assessment Roll Year:	**2013**	**2014**	**2015**	**2016**	**2017**
For Fiscal Year Ended:	**2014**	**2015**	**2016**	**2017**	**2018**
City of Elmira					
Assessed Value	$587,407,724	$593,169,108	$584,941,505	$584,763,311	$581,172,418
Equalization Rate	89.00%	84.00%	83.00%	83.00%	83.00%
Full Value	$660,008,679	$706,153,700	$704,748,801	$704,534,110	$700,207,733
Tax Rate (1)	23.36%	23.39%	23.60%	23.84%	23.98%
Town of Ashland					
Assessed Value	$1,064,795	$1,069,292	$1,026,216	$1,025,295	$1,024,321
Equalization Rate	1.69%	1.60%	1.60%	1.55%	1.53%
Full Value	$63,005,621	$66,830,750	$64,138,500	$66,148,065	$66,949,085
Tax Rate (1)	1230.26%	1231.54%	1225.89%	1278.62%	1302.65%
Town of Baldwin					
Assessed Value	$611,787	$607,787	$604,785	$593,585	$590,438
Equalization Rate	1.53%	1.60%	1.60%	1.65%	1.65%
Full Value	$39,986,078	$37,986,688	$37,799,063	$35,974,848	$35,784,121
Tax Rate (1)	1230.26%	1231.12%	1224.10%	1199.37%	1203.14%
Town of Big Flats					
Assessed Value	$37,102,821	$37,218,226	$39,098,747	$39,025,457	$39,084,976,
Equalization Rate	97.00%	97.00%	100.00%	100.00%	100.00%
Full Value	$38,250,331	$38,369,305	$39,098,747	$39,025,457	$39,084,976
Tax Rate (1)	21.43%	20.26%	19.59%	19.79%	19.90%
Town of Caton					
Assessed Value	$1,148,244	$1,156,125	$1,135,324	$1,200,300	$1,180,386
Equalization Rate	100.00%	96.00%	90.00%	100.00%	100.00%
Full Value	$1,148,244	$1,204,297	$1,261,471	$1,200,300	$1,180,386
Tax Rate (1)	20.79%	20.47%	21.76%	19.79%	19.90%
Town of Chemung					
Assessed Value	$8,033,343	$7,899,532	$8,282,378	$8,308,936	$8,412,776
Equalization Rate	100.00%	100.00%	100.00%	97.00%	100.00%
Full Value	$8,033,343	$7,899,532	$8,282,378	$8,565,913	$8,412,776
Tax Rate (1)	20.79%	19.65%	19.59%	20.40%	19.90%
Town of Elmira					
Assessed Value	$339,607,146	$342,532,460	$342,660,871	$342,278,804	$340,744,899
Equalization Rate	100.00%	98.00%	98.00%	96.00%	97.00%
Full Value	$339,607,146	$349,522,918	$349,653,950	$356,540,421	$351,283,401
Tax Rate (1)	20.79%	20.05%	19.99%	20.61%	20.51%

Town of Erin					
Assessed Value	$258,863	$262,614	$263,385	$262,988	$252,375
Equalization Rate	88.00%	88.00%	80.00%	79.00%	74.50%
Full Value	$294,163	$298,425	$329,231	$332,896	$338,758
Tax Rate (1)	23.63%	22.33%	24.48%	25.05%	26.71%
Town of Horseheads					
Assessed Value	$51,400	$51,400	$51,400	$51,400	$51,400
Equalization Rate	96.00%	93.00%	93.00%	95.00%	91.00%
Full Value	$53,542	$55,269	$55,269	$54,105	$56,484
Tax Rate (1)	23.90%	21.13%	21.06%	20.83%	21.87%
Town of Southport					
Assessed Value	$383,419,620	$381,269,338	$454,409,552	$454,909,571	$454,144,053
Equalization Rate	87.00%	85.00%	100.00%	100.00%	100.00%
Full Value	$440,712,207	$448,552,162	$454,409,552	$454,909,571	$454,144,053
Tax Rate (1)	23.90%	23.12%	19.59%	19.79%	19.90%
Total:					
Assessed Value	$1,358,705,743	$1,365,235,882	$1,432,474,163	$1,432,419,647	$1,426,658,042
Full Value	$1,591,099,353	$1,656,873,046	$1,659,776,962	$1,667,285,686	$1,657,441,773
Tax Levy	$33,081,134	$32,566,710	$32,514,508	$33,001,508	$32,985,241

Source: School Officials and State Office of Real Property Services.

(1) Per $1,000 Assessed Value.

Assessed and Full Valuation
(Fiscal Years Ending June 30)
Based on Special Equalization Rates

Assessment Roll Year:	**2012**	**2013**	**2014**	**2015**	**2016**
For Fiscal Year Ended:	**2013**	**2014**	**2015**	**2016**	**2017**
City of Elmira					
Assessed Value	$588,035,171	$587,407,724	$593,169,108	$584,941,505	$584,754,311
Equalization Rate	84.38%	83.41%	83.03%	81.66%	80.50%
Full Value	$696,889,276	$704,241,367	$714,403,358	$716,313,379	$726,402,871
Town of Ashland					
Assessed Value	$1,061,472	$1,064,795	$1,069,292	$1,026,216	$1,023,795
Equalization Rate	1.55%	1.63%	1.60%	1.48%	1.41%
Full Value	$68,482,065	$65,324,847	$66,830,750	$69,338,919	$72,609,574
Town of Baldwin					
Assessed Value	$628,096	$611,787	$607,787	$604,785	$593,585
Equalization Rate	1.56%	1.57%	1.62%	1.53%	1.46%
Full Value	$40,262,564	$38,967,325	$37,517,716	$39,528,431	$40,656,507

Town of Big Flats					
Assessed Value	$35,743,027	$37,102,821	$37,218,226	$39,098,747	$39,025,457
Equalization Rate	92.84%	94.72%	94.84%	97.23%	95.39%
Full Value	$38,499,598	$39,171,053	$39,243,174	$40,212,637	$40,911,476
Town of Caton					
Assessed Value	$958,453	$1,148,244	$1,156,125	$1,135,324	$1,200,300
Equalization Rate	91.54%	89.88%	89.62%	88.10%	96.60%
Full Value	$1,047,032	$1,277,530	$1,290,030	$1,288,677	$1,242,547
Assessment Roll Year:	2012	2013	2014	2015	2016
For Fiscal Year Ended:	2013	2014	2015	2016	2017
Town of Chemung					
Assessed Value	$7,721,997	$8,033,343	$7,899,532	$8,282,378	$8,308,936
Equalization Rate	95.11%	95.12%	92.08%	94.01%	91.76%
Full Value	$8,119,017	$8,445,483	$8,578,988	$8,810,103	$9,055,074
Town of Elmira					
Assessed Value	$324,673,595	$339,607,146	$342,532,460	$342,660,871	$342,266,804
Equalization Rate	92.97%	96.71%	95.57%	93.59%	91.58%
Full Value	$349,224,045	$351,160,321	$358,410,024	$366,129,791	$373,735,318
Town of Erin					
Assessed Value	$258,863	$258,863	$262,614	$263,385	$262,988
Equalization Rate	87.87%	78.85%	79.51%	79.09%	76.00%
Full Value	$294,598	$328,298	$330,291	$333,019	$346,037
Town of Horseheads					
Assessed Value	$51,400	$51,400	$51,400	$51,400	$51,400
Equalization Rate	93.98%	92.81%	93.89%	92.06%	90.98%
Full Value	$54,692	$55,382	$54,745	$55,833	$56,496
Town of Southport					
Assessed Value	$384,932,872	$383,419,620	$381,269,338	$454,409,552	$454,903,571
Equalization Rate	84.32%	82.60%	82.44%	96.35%	93.67%
Full Value	$456,514,317	$464,188,402	$462,481,002	$471,623,821	$485,644,893
Total:					
Assessed Value	$1,344,064,946	$1,358,705,743	$1,365,235,882	$1,432,474,163	$1,432,391,147
Full Value	$1,659,387,204	$1,673,160,006	$1,689,140,077	$1,713,634,610	$1,750,660,792

Source: School Officials and State Office of Real Property Services.

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. The District is not subject to constitutional real property taxing limitations. See, however, the discussion under the sub-heading — "Tax Levy Limit Law," below.

Tax Levy Limit Law

On June 24, 2011, the State Senate and the State Assembly both enacted, and Governor Andrew Cuomo signed (as Chapter 97 of the 2011 Laws of the State), significant and complex legislation relating to real property tax levies, rent regulation, exemption from local taxation and mandate relief (the "Legislation"). Part A of the Legislation amends the General Municipal Law and the Education Law in order to impose a limit upon real property tax levies by local governments (excluding the City of New York and the counties contained therein) and almost all school districts in the State, including the District (the "Tax Levy Limit Law").

The District is subject to the new Legislation, with the Tax Levy Limit Law first applying to the District's budget for its 2013-2014 fiscal year. The Tax Levy Limit Law will restrict, among other things, the amount of real property taxes that may be levied by or on behalf of the District in a particular year. Under the Legislation, the tax levy of the District may not increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in a designated measure of the consumer price index ("CPI") over the amount of the District's prior year's tax levy. The exceptions for a tax levy above two percent or the CPI increase are (i) funds needed to pay judgments arising out of tort actions that exceed 5% of the total tax levied by the District in the prior fiscal year, (ii) required pension payments (but only that portion of such payments attributable to the average actuarial contribution rate exceeding two percentage points) and (iii) a capital tax levy. "Capital tax levy" is defined to mean the tax levy necessary to support capital local expenditures by a school district. "Capital local expenditures" means 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 Tax Levy Limit Law also allows for growth in the District's tax levy due to physical and quantitative changes in the District. If the District does not levy an amount up to the cap in any one year, it would be allowed to carry over unused tax levy capacity into future years. However, this carryover levy capacity may not be used to increase its tax levy by more than an additional 1.5 percent above the cap in any single year. If the District' actual tax levy exceeds its authorized levy due to clerical or technical errors, the erroneous excess levy must be placed in reserve to offset the levy for the next budget year.

The Board of Education of the District may propose a budget that requires a tax levy that exceeds the tax levy limit for a given fiscal year, but such proposed budget must then be adopted by the District's voters by at least a 60% supermajority. In the event that the original proposed budget is not approved by the voters, the Board of Education has the option of levying a tax no greater than the tax that was levied for the prior school year or re-submitting the same or a revised budget. If a proposed budget is defeated in the second vote, the Board of Education must adopt a final budget that includes a tax levy no greater than the tax that was levied for the prior school year. In such a situation involving two budget defeats, the Tax Levy Limit Law does not provide for the exclusion of a capital tax levy (or for the other allowed exceptions).

It is reasonably certain that the Legislation will come under legal challenge alleging that the Legislation violates several provisions of Article VIII of the New York State Constitution. Although the Constitution recognizes the power of the State Legislature to restrict local government taxation of property, it also expressly states that "the legislature shall not, however, restrict the power to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted." Although New York courts (including the State's highest court—the Court of Appeals) have traditionally been very protective of the rights of the holders of municipal debt obligations, the outcome of any such legal challenge cannot be predicted. In any event, certain special protective procedures and remedies available to holders of school district debt remain in place and are not affected by the Tax Levy Limit Law. See "DISTRICT INDEBTEDNESS--Remedies Upon Default" herein.

Prospective investors in the Bonds are encouraged to consult with their own legal and tax advisors and review the provisions of the Tax Levy Limit Law in its entirety.

Real Property Tax Rebate (Chapter 59)

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

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

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

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

Real Property Tax Rebate (Chapter 20)

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

Similarly to the Chapter 59 Real Property Tax Rebate, under Chapter 20 the eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction’s compliance with the provisions of the Tax Levy Limitation Law. Unlike Chapter 59, however, for many taxpayers only the compliance of the school district in which the taxpayer resides is relevant. Municipal compliance with the Tax Levy Limitation Law is only required in the case of the “Big 4” cities that have fiscally dependent school districts. In such cases, the joint school/city levy must remain in compliance with the Tax Levy Limitation Law. In either scenario, the relevant jurisdiction (independent school district or joint city/school district) must certify its compliance with the provisions of the Tax Levy Limitation Law.

While the provisions of Chapter 59 and Chapter 20 do not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they do provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law. The implications of this for future tax levies and for operations and services of the District are uncertain at this time.

NYSUT Lawsuit

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

Tax Collection Procedure

Taxes of the District on all properties are collected by the Receiver of Taxes of the District during the collection periods. Taxes remaining uncollected after the expiration of the second collection period are returned to the Chemung and Steuben County Treasurers and the Elmira City Chamberlain, who by law must reimburse the District in full for uncollected taxes prior to the end of the second fiscal year for which the taxes are levied.

School tax is due October 1, and may be paid in full until October 31 without penalty. This tax may be paid in two equal installments, with the first installment payable from October 1 through October 31 inclusive without penalty. After October 31, a penalty will be added to the first installment. The penalties on the first installment are 2% in November, 3% in December, 4% in January, 5% in February and 6% in March. The second installment may be paid any time between October 1 and March 31 inclusive without penalty. Uncollected taxes are returned to the County Treasurer and City Chamberlain on or about April 15 of each year.

The burden of delinquent tax collection is placed on the Counties and City subsequent to advancing the school taxes to the District. The Counties and City may pay moneys due to the District from funds on hand or may borrow moneys pursuant to the Local Finance Law.

STAR – School Tax Exemption

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

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

TABLE 6

Municipality	Enhanced Exemption	Basic Exemption
City of Elmira	$55,440	$24,900
Town of Ashland	1,020	460
Town of Baldwin	1,100	500
Town of Big Flats	66,800	30,000
Town of Caton	65,500	30,000
Town of Chemung	66,800	30,000
Town of Elmira	64,800	28,800
Town of Erin	49,770	22,350
Town of Horseheads	60,790	27,300
Town of Southport	66,800	30,000

Date Certified: 04/09/2018
Source: Department of Taxation and Finance

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

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

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

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

Municipality	Basic Maximum Savings	Enhanced Maximum Savings
City of Elmira	$609	$1,330
Town of Ashland	624	1,353
Town of Baldwin	599	1,297
Town of Big Flats	609	1,330
Town of Caton	609	1,330
Town of Chemung	609	1,330
Town of Elmira	603	1,316
Town of Erin	625	1,362
Town of Horseheads	605	1,316
Town of Southport	609	1,330

Date Updated: 03/28/2018

Source: Department of Taxation and Finance

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

Largest Taxpayers for the 2017-18 Fiscal Year

The following table presents the taxable assessments of the District's largest taxpayers from the 2017 tax roll for the 2017-18 fiscal year.

TABLE 7
Top Ten Largest Taxable Properties

Name	Type	Assessed Valuation	Taxable Assessed Valuation (1)
NYS Electric & Gas Corporation	Utility	$74,335,484	5.21%
Dewittsburg Housing	Housing	6,000,000	0.42%
Chemung Canal Trust Company	Commercial Bank	5,806,000	0.41%
Wegmans Food Markets Inc.	Food	5,650,700	0.40%
Verizon New York Inc.	Utility	5,601,889	0.39%
TG-Cotops Elmira NY LLC	Real Estate	4,700,000	0.33%
FM Howell & Company	Manufacturing	4,411,280	0.31%
McWane, Inc.	Manufacturing	3,851,000	0.27%
Cornerstone Homes Inc.	Housing	3,834,380	0.27%
Hilliard Corporation	Manufacturing	3,788,000	0.27%
		$117,978,733	8.27%

(1) The District's total assessed valuation for the roll year 2017-2018 is $1,426,658,042.

Source: Assessor's Office

DISTRICT INDEBTEDNESS

Constitutional and Statutory 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 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 previously 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. (Subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York, see “Tax Levy Limit Law” herein).

Statutory Procedure

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

The Board of Education may adopt a bond resolution authorizing the expenditure of money for capital purposes and the issuance of bonds and notes in anticipation of the bonds, but such bond resolution shall be subject to the approval of the qualified electors of the District. With respect to certain school building construction projects, the District is not permitted to spend in excess of $100,000 until the plans and specifications for such projects 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, estops 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 authorize the sale and issuance of bonds and notes, including the Bonds. However, such finance board may delegate the power to sell the Bonds 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. 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 special equalization 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 8
Computation of Debt Limit

Tax Year:	**Full Valuation** (1)
2013-14	$1,659,387,204
2014-15	1,673,160,006
2015-16	1,689,140,077
2016-17	1,713,634,610
2017-18	1,750,660,792
Total Five Year Valuation	8,485,982,689
Average Five Year Full Valuation	$1,697,196,538
Debt Limit - 5% of Average Full Valuation	$ 84,859,827

(1) The amounts shown as full valuation have been computed with the use of Special Equalization Ratios (See Table 5). 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 Board of Real Property Services and are used for all other purposes.

Statutory Debt Limit and Net Indebtedness

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

TABLE 9
Statutory Debt Limit and Net Indebtedness
(as of June 12, 2018)

Average Full Valuation of Taxable Real Property		$ 1,697,196,538
Debt Limit (5% of Average Full Valuation)		84,859,827
Inclusions:		
Outstanding Bonds	$ 61,460,000	
BANs	11,000,000	
Gross Indebtedness	$ 72,460,000	
Exclusions and Deductions:		
Bond Appropriations	7,600,000	
BAN Appropriations	1,700,000	
Estimated Building Aid (1)	0	
Gross Exclusions and Deductions	$ 9,300,000	
Total Net Indebtedness		$ 63,160,000
Net Debt-Contracting Margin		$ 21,699,827
Percentage of Debt Contracting Margin Exhausted		74.42%

(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 95.1%.

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

Remedies for enforcement of payment are not expressly included in the District's contract with holders of its bonds and notes, although any permanent repeal by statute or constitutional amendment of a Bondholder 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.

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 Debt

The District has $11,000,000 of bond anticipation notes outstanding which will mature on June 28, 2018.

Authorized but Unissued Indebtedness

The District has authorized but unissued debt in the amount of $992,215 from a May 20, 2014 bus purchase vote. The District is not expected to finance for this purpose.

On March 16, 2016 the Board of Education of the District approved a bond resolution authorizing the issuance of bonds and bond anticipation notes in an amount not to exceed $43,000,000 to finance the reconstruction and renovation of and construction of improvements to various district buildings and site and the purchase of original furnishings, equipment, machinery and apparatus. The Notes will provide additional financing for said projects. The District is expected to finance additional new money for such purposes in the next couple of years.

Trend of Outstanding Indebtedness

The following table provides information relating to direct capital outstanding indebtedness as follows:

TABLE 10
Outstanding Long-Term Bond Indebtedness

FYE June 30:	Bonds	Bond Anticipation Notes	Total Outstanding
2013	$79,390,000	$35,565,000	$114,955,000
2014	101,350,000	1,355,000	102,705,000
2015	91,223,608	930,000	92,153,608
2016	78,226,895	3,588,318	81,815,213
2017	69,590,000	4,588,318	74,178,318

Source: Audited Financial Statements for 2012-2017. Table itself is not audited.

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 11
Statement of Direct and Overlapping Indebtedness

Overlapping Units	Total Net Indebtedness	As of	Percentage Applicable	Applicable Net Indebtedness
County of Chemung	$50,342,030	11/30/17	39.37%	$19,819,657
County of Steuben	6,590,000	05/31/17	0.02%	1,318
City of Elmira	24,575,103	07/26/17	100.00%	24,575,103
Town of Ashland	0	09/27/17	99.00%	0
Town of Baldwin	0	09/27/17	75.33%	0
Town of Big Flats	3,235,000	09/27/17	5.12%	165,632
Town of Caton	0	09/27/17	0.77%	0
Town of Chemung	0	09/27/17	6.29%	0
Town of Elmira	122,500	09/27/17	78.94%	96,701
Town of Erin	66,469	09/27/17	0.30%	199
Town of Horseheads	54,000	09/27/17	0.00%	0
Town of Southport	0	09/27/17	99.67%	0
Total Net Overlapping Debt				$44,658,611
Net Direct Debt				63,160,000
Total Net Direct and Overlapping Debt				$107,818,611

Source: State Comptroller's Special Report on Municipal Affairs or more recently published Official Statements.

Debt Ratios

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

TABLE 12
Debt Ratios

	Amount	Debt Per Capita [1]	Debt to Full Value [2]
Net Direct Debt	$ 63,160,000	$1,296	3.61%
Net Direct and Overlapping Debt	$107,818,611	$2,212	6.16%

(1) The population of the District is estimated by District officials to be approximately 48,734.
(2) The District's full value of taxable real property based on Special Equalization Rates for fiscal year 2017-18 is $1,750,660,792.

Debt Service Schedule

The following table shows the debt service requirements to maturity on the District's outstanding bonded indebtedness as of June 1, 2018.

TABLE 13
Schedule of Principal and Interest on Long-Term Bond Indebtedness

Fiscal Year Ending June 30	Total Principal	Total Interest	Total
2018	$7,205,000	$467,062	$7,672,062
2019	9,980,000	1,815,950	11,795,950
2020	8,765,000	1,466,090	10,231,090
2021	7,915,000	1,180,225	9,095,225
2022	7,625,000	905,680	8,530,680
2023	6,900,000	636,305	7,536,305
2024	6,395,000	401,481	6,796,481
2025	6,230,000	185,315	6,415,315
2026	445,000	12,794	457,794
Total	$61,460,000	$7,070,902	$68,530,902

Note: Columns may not sum due to rounding.

Source: District Officials.

ECONOMIC AND DEMOGRAPHIC DATA

School Enrollment Trends

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

TABLE 14
School Enrollment Trends

Fiscal Year	Actual Enrollment	Fiscal Year	Projected Enrollment
2014-15	6,810	2017-18	6,050
2015-16	6,530	2018-19	6,020
2016-17	6,088	2019-20	6,000

Source: District Officials.

TABLE 15
Largest Employers

Business	Type	Approx. # of Employees
Elmira City School District	Education	1,516
Arnot Ogden Medical Center	Health Care Facility	1,400
State of New York	Correctional Facilities	1,250
Chemung County	Municipality	950
St. Joseph's Hospital	Health Care Facility	780

Source: District Officials.

Population

The District estimates its population to be approximately 48,734. The following table presents population trends for the City, County and State, based upon recent census data.

TABLE 16
Population Trend

	2000	2010	Percentage Change 00/10
City	30,940	29,200	(5.6%)
County	91,070	88,830	(2.4%)
State	18,976,457	19,378,102	2.1%

Source: U.S. Census Bureau

Employment and Unemployment

The following tables provide information concerning employment and unemployment in the County. Data provided for the County is not necessarily representative of the District.

TABLE 17
Civilian Labor Force
(Thousands)

	2012	2013	2014	2015	2016	2017
City of Elmira	11.3	10.9	10.6	10.3	9.9	9.8
Chemung County	40.6	39.5	38.4	37.6	36.4	35.9
New York State	9,612.2	9,623.1	9,570.7	9,591.2	9584.5	9,704.7

Source: New York State Department of Labor

Unemployment rates are not compiled for the District, but are available for the County and State. The following table is not necessarily representative of the District.

TABLE 18
Yearly Average Unemployment Rates

Year	City	County	State
2012	10.9%	8.4%	8.5%
2013	10.0%	7.9%	7.7%
2014	8.0%	6.3%	6.3%
2015	7.5%	5.9%	5.3%
2016	7.5%	5.7%	4.8%
2017	7.1%	5.6%	4.7%

Source: New York State Department of Labor

TABLE 19
Monthly Unemployment Rates

Month	City	County	State
March	7.2%	5.8%	4.7%
April	6.7%	5.4%	4.4%
May	6.6%	5.4%	4.4%
June	7.1%	5.4%	4.6%
July	7.1%	5.5%	4.9%
August	7.0%	5.4%	4.9%
September	7.0%	5.4%	4.6%
October	6.6%	5.2%	4.4%
November	6.7%	5.4%	4.4%
December	6.6%	5.5%	4.4%
January 2018	7.5%	6.2%	5.1%
February	8.2%	6.6%	5.1%
March	7.5%	6.1%	4.8%
April	7.1%	5.3%	4.4%

Source: New York State Department of Labor

LITIGATION

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

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

END OF APPENDIX A

<u>APPENDIX B</u>

FINANCIAL STATEMENT SUMMARIES

(This summary is not audited.)

CITY SCHOOL DISTRICT OF THE CITY OF ELMIRA

General Fund

Balance Sheets

Fiscal Year Ended June 30:

	2016	2017
Assets:		
Cash and cash equivalents	$3,912,426	$8,757,113
Restricted Cash	15,851,994	19,041,100
Taxes Receivable	1,930,058	1,323,821
Due From Other Funds	2,536,895	1,859,504
State and Federal Aid Receivable	2,531,710	2,174,712
Due From Other Governments	4,584,288	3,786,738
Due from Fiduciary Funds	0	346
Other Receivables - net	0	525,716
Prepaid Items	0	2,362,783
Total Assets	$31,347,371	$39,831,833
Liabilities:		
Accounts Payable	$522,334	$1,341,862
Accured Liabilities	728,587	368,872
Due to Other Funds	120,919	2,624,201
Due to Other Governments	985,851	946,141
Due to Retirement Systems	5,155,250	4,650,327
Overpayments and collections in advance	0	1,413
Compensated Absenses	556,988	765,510
Total Liabilities	$8,069,929	$10,698,326
Deferred Inflows of Resources		
Unavailable Revenue	$1,980,617	$1,975,502
Total deferred inflows of resources	1,980,617	1,975,502
Fund Balance:		
Nonspendable	$2,711	$2,362,783
Restricted	15,425,249	18,613,970
Assigned	517,542	666,042
Unassigned (deficit)	5,351,323	5,515,210
Total Fund Balance	$21,296,825	$27,158,005
Total Liabilities, Deferred Inflows and Fund Balance	$31,347,371	$39,831,833

Source: Audited Financial Statements

CITY SCHOOL DISTRICT OF THE CITY OF ELMIRA
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Fiscal Year Ended June 30:

	2013	2014	2015	2016	2017
Revenues:					
Real Property Taxes & Tax Items	$31,556,550	$32,297,118	$32,854,674	$33,162,934	$33,184,230
Charges for Services	224,303	196,165	244,861	572,036	489,784
Use of Money & Property	578,873	422,562	153,895	384,915	237,494
Sale of Prop. & Comp. for Loss	21,214	19,305	112,573	474,826	53,044
Miscellaneous	2,247,756	2,679,003	2,694,093	2,373,453	1,865,316
State Aid	75,823,827	78,336,200	81,124,651	83,844,643	90,016,840
Federal Aid	332,498	337,112	401,953	207,219	91,106
Medicaid Reimbursement	0	0	0	432,666	365,710
Sales - School lunch	0	0	0	0	190,251
Total Revenues	110,785,021	114,287,465	117,586,700	121,452,692	126,493,775
Expenditures:					
General Support	$14,198,299	$14,130,206	$14,857,366	$15,434,587	$15,759,246
Instruction	45,568,924	45,749,873	47,666,817	51,603,851	53,229,603
Pupil Transportation	2,585,566	2,704,888	4,574,198	4,043,604	4,404,857
Community Services	476,698	274,587	297,210	142,524	244,744
Employee Benefits	27,828,164	25,490,614	26,456,400	27,487,150	28,366,348
Debt Service	12,590,666	14,628,779	15,896,765	16,180,901	17,849,030
Total Expenditures	103,248,317	102,978,947	109,748,756	114,892,617	119,853,828
Excess of Revenues (Expenditures)	7,536,704	11,308,518	7,837,944	6,560,075	6,639,947
Other Financing Sources (Uses)					
Operating Transfer In	516,571	0	0	0	0
Operating Transfer Out	(2,514,008)	(2,081,608)	(2,069,607)	(8,200,094)	(778,767)
Total Other Financing Sources (Uses)	(1,997,437)	(2,081,608)	(2,069,607)	(8,200,094)	(778,767)
Net Change in Fund Balances	5,539,267	9,226,910	5,768,337	(1,640,019)	5,861,180
Fund Balance - Beg. of Year	2,402,330	7,941,597	17,168,507	22,936,844	21,296,825
Fund Balance - End of Year	$7,941,597	$17,168,507	$22,936,844	$21,296,825	$27,158,005

Source: Audited Financial Statements

Summary not Audited

CITY SCHOOL DISTRICT OF THE CITY OF ELMIRA
General Fund
Statement of Estimated Revenues and Budget Appropriations
Fiscal Year Ending June 30:

	Adopted Budget 2017-18	Adopted Budget 2018-19
Estimated Revenues:		
Real Property Tax	$33,001,508	$33,496,850
Real Property Tax Items	341,553	360,692
Charges for Services	360,000	365,788
Use of money and property	186,300	205,000
Sale of Property and Compensation for Loss	20,000	20,000
Miscellaneous	1,730,000	1,855,000
State Aid	91,087,382	91,111,944
Federal Aid	475,251	470,000
Interfund Transfers	0	0
Total Estimated Revenues:	$127,201,994	$127,885,274
Appropriations:		
General Support	$17,098,337	$17,813,862
Instruction	55,708,424	57,731,064
Public Safety and Transportation	5,224,349	5,120,660
Community Services	1,047,576	652,576
Employee Benefits	34,785,720	33,211,062
Interfund Transfers	0	360,000
Debt Service	13,337,588	12,996,050
Total Appropriations :	$127,201,994	$127,885,274

Source: School District Officials

APPENDIX C

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

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

https://emma.msrb.org/EP965792-EP749339-EP1150977.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. Insero & Co. CPAs, LLP has not been requested by the District to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement.**