OFFICIAL STATEMENT

NEW ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Barclay Damon LLP, Albany, New York, Bond Counsel, under existing law (A) interest on the Notes is excluded from the gross income of the owners thereof for federal income tax purposes and is not an "item of tax preference" for purposes of the individual and corporate alternative minimum tax imposed by the Internal Revenue Code of 1986, as amended (the "Code"), except 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 thereof, and (B) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See the caption "TAX EXEMPTION" herein.

The Notes will NOT be designated by the District as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

GALWAY CENTRAL SCHOOL DISTRICT
SARATOGA COUNTY, NEW YORK

$16,150,000 BOND ANTICIPATION NOTES, 2018
(the "Notes")

Date of Issue: June 1, 2018 **Maturity Date: May 31, 2019**

The Notes are general obligations of the Galway Central School District, Saratoga County, New York (the "District"). The District has pledged its faith and credit for the payment of the principal of and interest on the Notes and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the District, without limitation as to rate or amount. See "Appendix A - Tax Information - Tax Levy Limitation Law" herein.

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

If the Notes are issued in book-entry-only form, 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. 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 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, the School District will act as paying agent. In such case, the Notes will be issued in registered form in denominations of $5,000, or multiples thereof, as may be determined by such successful bidder.

The Notes are offered when, as and if issued and received by the purchaser and subject to the final approving opinion of Barclay Damon LLP, Albany, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery on or about the Date of Issue shown above.

Barclay Damon LLP has not participated in the preparation of the demographic, financial or statistical data contained in this Official Statement, nor verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion with respect thereto.

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

Dated: May 17, 2018

GALWAY CENTRAL SCHOOL DISTRICT
SARATOGA COUNTY, NEW YORK

Board of Education

Jay Anderson .... President

Dennis Schaperjahn .... Vice President

Michelle Bombard .... Board Member

Stacey Caruso-Sharpe .... Board Member

Melodye Eldeen .... Board Member

Linda Jackowski .... Board Member

Joan Slagle .... Board Member

Shannon Shine .... Superintendent of Schools

Frank Ferraro .... School Business Administrator

Vacant .... District Treasurer

BOND COUNSEL

Barclay Damon, LLP
Albany, New York

MUNICIPAL ADVISOR

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

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

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APPENDIX A

GALWAY CENTRAL SCHOOL DISTRICT
SARATOGA COUNTY, NEW YORK

relating to

$16,150,000

BOND ANTICIPATION NOTES, 2018
(the “Notes”)

This Official Statement, which includes the cover page and appendices hereto, presents certain information relating to the Galway Central School District, in the County of Saratoga, in the State of New York (the "District", "County" and "State," respectively) in connection with the sale of $16,150,000 Bond Anticipation Notes, 2018 of the District (the “Notes”).

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

THE NOTES

Description of the Notes

The Notes will be dated June 1, 2018 and will mature, without option of prior redemption, on May 31, 2019.

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

Authority for and Purposes of Issue

The Notes are authorized to be issued pursuant to the Constitution and laws of the State, including the Education Law and the Local Finance Law.

The Notes are authorized to be issued pursuant to a proposition duly approved by the qualified voters of the District on May 17, 2016, and a bond resolution duly adopted by the District’s Board of Education on May 17, 2016, authorizing the issuance of $24,950,000 in serial bonds of the District to undertake a capital improvement program consisting of the reconstruction of various District buildings, including site work, and the reconstruction of athletic fields. The Notes will provide original $15,000,000 financing for said projects. A second authorization, duly approved at a special District meeting held on June 14, 2017, and a bond resolution dated August 24, 2017, authorizing the issuance of $1,150,000 in serial bonds of the District to finance the construction of a new library building, including site work, and acquisition of original furnishings, equipment, machinery or apparatus required. The Notes will provided original financing for said projects.

Optional Redemption for the Notes

The Notes may not be redeemed prior to their stated maturity date.

Nature of Obligation

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

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

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

Book-Entry-Only System

If the Notes are issued as book-entry Notes, the Depository Trust Company ("DTC"), New York, NY, 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 all of the Notes which bear the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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.

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

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

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

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 redemption proceeds, distributions, and dividend 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 transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

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

Source: The Depository Trust Company

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

The financial condition of the District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the District's control. There can be no assurance that adverse events in the State and in other jurisdictions in the State, including, for example, the seeking by a municipality of remedies pursuant to the Federal Bankruptcy Code 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 another jurisdiction, 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.

There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget and other circumstances, including state fiscal stress. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. See "Appendix A - Financial Factors - State Aid" herein.

If and when a holder of any of the Notes elects to sell prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any Notes. In addition, the price or principal value of the Notes is dependent on the prevailing level of interest rates. If interest rates increase, the price of a Note will decline causing the holder to incur a capital loss upon the sale of such Notes. See "Rating" herein.

Amendments to the Internal Revenue Code of 1986, as amended (the "Code") could reduce or eliminate the favorable tax treatment granted to municipal debt including the Notes and other debt issued by the District. Any such future legislation would have an adverse effect on the market value of the Notes. See "Tax Exemption" herein.

The enactment of Chapter 97 of the Laws of 2011 on June 24, 2011, which imposes a tax levy limitation upon municipalities, school districts, including the District, and fire districts in the State could have an impact upon the market price for the Notes. See "Appendix A - Tax Information - Tax Levy Limitation Law" herein.

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

In the opinion of Barclay Damon LLP, Albany, New York, Bond Counsel, under existing law, (A) interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes and is not an "item of tax preference" for purposes of the individual alternative minimum tax imposed by the Code, except 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 thereof; and (B) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

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

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

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

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

The Notes will **NOT** be designated by the District as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

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

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

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

DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES

Absence of Litigation

Upon delivery of the Notes, the District shall furnish a certificate of the attorney for 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 Barclay Damon LLP, Albany, New York, 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. Such 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) such law firm has not been requested to examine or review and has not examined or reviewed the accuracy or sufficiency of the Official Statement, or any additional proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the District which have been or may have 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 Closing Certificate evidencing the due execution of the Notes, including statements that (a) no litigation of any nature is pending or, to the knowledge of the signers, threatened, restraining or enjoining the issuance and deliver of the Notes or the levy and collection of taxes to pay the principal of and interest thereon, nor in any manner questioning the proceedings and authority under which the Notes were authorized or affecting the validity of the Notes thereunder, (b) neither the corporate existence or boundaries of the District nor the title of the 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) an Tax Certificate as to Arbitrage and Use of Proceeds executed by the President of the Board of Education, as described under "Tax Exemption" herein.

UNDERTAKING TO PROVIDE NOTICE OF EVENTS

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, the District will provide an executed copy of its “Undertaking to Provide Notice of 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 the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto, timely notice, not in excess of ten (10) business days after the occurrence of the event, of the occurrence of any of the following events with respect to the Notes:

> (i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (vii) modifications to rights of Noteholders, if material; (viii) bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Notes, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the District; [note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District]; (xiii) the consummation of a merger, consolidation, or acquisition

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

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

Assured Guaranty Municipal Corp. (formerly Financial Security Assurance, Inc.), a municipal bond insurance company, which insures a variety of District serial bonds, has had a variety of ratings changes over the past five years. The District filed event notices for these changes on EMMA on March 18, 2014. Subject to the foregoing (without determining whether such events were material), there are no instances in the previous five years in which the District failed to comply, in all material respects, with any previous continuing disclosure undertakings within the past five years.

RATING

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

S&P Global has assigned an underlying rating of "AA-" to the uninsured outstanding bonded indebtedness of the District.

MUNICIPAL ADVISOR

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

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

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the District's School Business Administrator, Frank Ferraro (518) 882-1033 e-mail: fferraro@galwayschools.org or from Capital Markets Advisors, LLC, Orchard Park, New York 14127, (716) 662-3910 and also available at www.capmark.org.

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

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

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.

GALWAY CENTRAL SCHOOL DISTRICT
SARATOGA COUNTY, NEW YORK

By: /s/ ______________________
Jay Anderson
President of the Board of Education and

DATED: May 17, 2018

APPENDIX A

THE DISTRICT

THE DISTRICT

General Information

The District, with an estimated population of 7,102 is located in western Saratoga County in upstate New York approximately 12 miles west of Saratoga Springs, 25 miles northwest of Albany and approximately 200 miles north of New York City.

The District is one of the largest school districts, geographically (120 square miles) and is primarily a rural/suburban district with a mixture of small business, farming and residential homes. All or part of the eight townships are included.

A network of highways provide transportation means for local motor freight, and airport facilities are available at the Albany International Airport. Five Amtrak train stations are located within 30 miles of the District.

Hospital, banking, recreational and utility facilities are available to the residents of the District, either within the District or in nearby areas. Public safety is provided by the New York State Police and the Saratoga County Sheriff's Department. Fire protection is provided by volunteer fire companies.

District Organization

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

The legislative power of the District is vested in the Board of Education (the "Board"), which consists of seven members including the President and Vice President. Board members are elected for overlapping terms of three years such that as nearly as possible an equal number of members are elected to the Board on the third Tuesday of May each year. The administrative officers of the District, whose duty it is to implement the policies of the Board and who are appointed by the Board, include the Superintendent of Schools, School Business Administrator, District Clerk and District Treasurer.

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 School Business Administrator and the 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	Designed Capacity
Galway Elementary School	K-6	1957	2012	555
Galway Junior/Senior School	7-12	1951	2012	569
			TOTAL:	1,124

Source: District Officials

Employees

There are approximately 150 full-time and 45 part-time persons employed by the District. The collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are as follows:

TABLE 2
Employees

Approximate No. of Employees	Union	Contract Expiration Date
87	Galway Teachers' Association - NYSUT	06/30/20
95	Civil Service Employees Association - CSEA	06/30/20
5	Administrators Association of Galway - SAANYS	06/30/21
6	Management Confidential	N/A
1	Superintendent	06/30/19
1	School Business Administrator	08/04/20

**Currently under negotiations*
Source: District Officials

Employee Pension Benefits

All non-teaching and non-certified administrative employees of the District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York 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 are deducted from the District's State aid payments.

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

The following table details the District's actual required contributions to the ERS for the preceding three audited fiscal years ended June 30:

Fiscal Year End 6/30	ERS
2017	$238,226
2016	316,958
2015	294,493

Source: Audited Financial Statements and District Officials

The following table details the District's actual required contributions to the TRS for the preceding three audited fiscal years ended June 30:

Fiscal Year End 6/30	TRS
2017	$733,197
2016	872,394
2015	1,092,155

Source: Audited Financial Statements and District Officials

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

Previously, due to prior poor performance of the investment portfolio of the State Retirement System in the wake of the 2008-09 recession, New York State Comptroller Thomas DiNapoli announced that the employer contribution rates for required pension contributions to the SRS would 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 did not opt into the pension amortization 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 seven years. Under the TRS SCO plan, payment of the deferred amount will commence in year six of the program (2018-19) and continue for five years. School districts can elect to no longer participate in the plan at any time, resume paying the ARC and begin repayment of deferred amounts over five years. Under the ERS SCO, payment of deferred amounts begins the year immediately following the deferral and the repayment period is 12 years. Once made, the election to participate in the ERS SCO is permanent. However, the school districts can choose not to defer payment in any given year. In both plans, interest on the deferred amounts is based on the yield of 10-year U.S. Treasury securities plus 1%.

The primary benefit of participation in the SCO plans is the elimination of the uncertainty in the volatility of future pension contribution ARCs in the near term, thereby providing school districts with significant assistance in its ability to create a stable and reliable fiscal plan. The District has not and does not 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 have been rising substantially, and 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 requires municipalities and school districts to account for OPEB liabilities much like they already account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts had not set aside any funds against this liability. Unlike GASB Statement No. 27, which covers accounting for pensions, GASB 45 does not require municipalities or school districts to report a net OPEB obligation at the start.

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

GASB 45 does not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and compliance in meeting its ARC. The District is in compliance with the requirements of GASB 45.

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

The District is in compliance with the requirements of GASB 45, and a summary of the actuarial valuation is included in the District's June 30, 2017 Financial Audit attached herein. The following table summarizes the District's annual OPEB for the year ended June 30, 2016 and 2017:

	2017	**2016**
Annual required contribution	$1,047,380	$1,165,565
Interest on net OPEB obligation	172,930	145,139
Adjustment to annual required contribution	(269,930)	(240,723)
Annual OPEB cost (expense)	950,380	1,069,981
Contributions made	(349,090)	(348,145)
Change in net OPEB obligation	601,290	721,836
Net OPEB obligation – beginning of year	4,491,690	3,969,854
Net OPEB obligation – end of year	$5,092,980	$4,491,690

Source: Audited Financial Statements

As of July 1, 2016, the plan was not funded. The unfunded actuarial accrued liability for benefits for governmental activities was $10,018,010.

In June 2015, the Governmental Accounting Standards Board issued GASB Statement 75 ("GASB 75"), which when implemented will supersede and eliminate GASB 45. GASB 75 establishes new standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Municipalities and school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. GASB 75 is required to be implemented for all municipalities and school districts in the fiscal year beginning after June 2017. Actuarial valuation will be required every two years for GASB 75.

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. A summary of such revenues for the last five fiscal years and estimated revenues for the current fiscal year may be found in Appendix B.

Property Tax and Tax Items

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

TABLE 3
Property Taxes

Fiscal Year	Total Revenues [1]	Real Property Taxes and Tax Items	Real Property Taxes to Revenues
2013	$16,271,462	$9,126,326	56.1%
2014	16,875,857	8,325,655	49.3%
2015	17,745,198	8,487,716	47.8%
2016	18,352,681	8,643,864	47.1%
2017	19,112,440	10,111,249	52.9%
2018 *Budget*	21,058,918	10,350,093	49.1%

[1] General Fund only
Source: District's audited financial statements and budget.

State Aid

The District receives a significant portion of its revenues in the form of State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute.

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

TABLE 4
State Aid

Fiscal Year	Total Revenues [1]	State Aid	State Aid to Revenues
2013	$16,271,462	$6,826,053	42.0%
2014	16,875,857	7,027,952	41.6%
2015	17,745,198	7,475,864	42.1%
2016	18,352,681	8,047,105	43.8%
2017	19,112,440	8,448,434	44.2%
2018 *Budget*	21,058,918	8,891,441	42.2%

[1] General Fund only
Source: District's audited financial statements and budget.

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 annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program (see "STAR-School Tax Exemption"). The District has received timely STAR aid from the State for the previous fiscal year and anticipates timely receipt for the current fiscal year.

In January 2001, the State Supreme Court issued a decision in *Campaign for Fiscal Equity ("CFE") v. New York* mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a State-wide 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 other districts 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 Notes, nor the ability of the District to levy taxes on the taxable real property in the District to pay the Notes 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 $1.45 million annually. 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 $225 thousand, dropping the total GEA to $920 thousand. In the 2015-16 fiscal year, it was reduced by $352 thousand, yielding a remaining annual GEA figure of $567,722. 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 $759,384. The District has developed a plan for the School Smart Bond Act and has to date collected close to $30,000 of the $759,384.

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.

No delay in payment of State aid for the District's 2015-16 fiscal year is presently anticipated, although no assurance can be given that there will not be a delay in payment thereof. Should the District fail to receive monies expected from the State in the amounts and at the times expected, the District is permitted to issue revenue anticipation notes in anticipation of the receipt of delayed State aid.

Recent Events Affecting New York School Districts

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

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

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

School district fiscal year (2015-16): The State Legislature adopted the State budget on April 1, 2015. The budget provided for school aid of approximately $23.5 billion, which represented an increase of approximately $1.3 billion, or 7.4%, in total school aid spending from the 2014-15 school year. The budget continued a three-year appropriation methodology established in the 2011-12 State fiscal year and limited 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 included an increase of $991 million in State aid for school districts over the 2015-16 budget, $863 million of which consisted of traditional operating aid. In addition to the $408 million of expense based aid, the budget included a $266 million increase in Foundation Aid and a $189 million restoration to the Gap Elimination Adjustment. The majority of the remaining increase included $100 million in Community Schools Aid, a newly adopted aid category, to support school districts that wish to create community schools. The funds could only be used for certain purposes such as providing health, mental health and nutritional services to students and their families. The budget included total 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 school districts were adopted on April 9, 2017 and signed by the Governor on April 20, 2017.

The State's 2017-18 Enacted Budget and the 2018-2019 Proposed Budget each provide for an increase of $1.1 billion and $769 million in school aid for the 2017-18 and 2018-19 school years, respectively. The proposed Executive Budget for the 2018-19 fiscal year provides for $9,106,218 of State Aid to Education, a 4.35% increase from the District's 2017-18 school year.

The budget increases Education Aid by $1.1 billion, including a $700 million increase in Foundation Aid, without revision to the formula, bringing the new Education Aid total to $25.8 billion or an increase of 4.4 percent. It is reported in the press that approximately $3.6 billion in Foundation Aid will continue to be due in order to fully phase-in and implement the existing formula.

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

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

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

The School District presently anticipates an increase in its State Aid not related to building aid for its 2017-2018 fiscal year in an amount of $379,804.

It should also be noted that the School District receives federal aid for certain programs. In its last audited fiscal year, the School District received $395,559 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 State 2017-18 Enacted Budget allows the Governor to reduce expenditures (including aid to school districts) mid-year if revenues (including, but not limited to, funding from the federal government) are less than what was expected. See the discussion in "State Aid" herein.

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

Independent Audit

The District retains independent certified public accountants to audit its financial statements. Appendix B to the Official Statement presents excerpts from the District's most recent audited reports. 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.

Fund Structure and Accounts

The General Fund is the principal operating fund for the District which is used to account for substantially all financial resources except those accounted for in another fund. The General Fund accounts for all revenues and expenditures of the District except those required to be accounted for in another fund. Special Revenue Funds include: the School Lunch Fund and the Special Aid Fund. A Capital Projects Fund is used to account for and report financial resources used to construct or acquire capital assets.

Expendable trust funds and funds held in an agency capacity are accounted for in the Trust and Agency Fund. The District also maintains account groups for its General Fixed Asset and General Long-Term Debt Accounts in order to maintain accountability for its fixed assets and long-term debt, respectively. The Long-Term Debt Group is used to account for long-term obligations of the District including bonds, most obligations under lease/purchase and other financing arrangements, certain pension contributions, compensated absences, and other long-term obligations.

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, charges for services and intergovernmental revenues. 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 and accumulated vacation and sick leave are accounted for in the general long-term debt account group. Inventories are generally not recorded but expensed at the time of purchase. Fixed assets are recorded at actual (historical) cost or estimated historical cost or, in the case of gifts and contributions at fair market value at the time received. There is no provision for depreciation expense.

The State Comptroller's Fiscal Stress Monitoring System

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

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

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

New York State Comptroller's Audit

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 January 2011, OSC, Division of Local Government and School Accountability released an audit of the District to review selected District's internal controls over purchasing from July 1, 2008 through March 31, 2010. The audit determined the District should update the purchasing policy to allow for the purchasing agent to supervise purchases more carefully. The District made corrective action to its purchasing policy.

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

Budgetary Procedure

Pursuant to the State Education Law, the Board of Education annually prepares or causes to be prepared a proposed budget of the District for the ensuing year. A public hearing is held about two weeks prior to the referendum to adopt the budget now held on the third Tuesday in May of each year. If the voters approve the budget, the Board of Education, by resolution, shall adopt the proposed budget as the budget of the District for the following fiscal year. If the budget is not so approved, the Board may make changes to the budget and resubmit it, as revised, to the voters one additional time. Alternatively, the Board may, by resolution, adopt a contingency budget for the following fiscal year.

The voters approved the District's 2017-18 budget on May 16, 2017.

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

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

TAX INFORMATION

Real Property Tax Assessment and Rates - Fiscal Years Ending June 30

The District derives its power to levy an *ad valorem* real property tax from the State Constitution; methods and procedures to levy, collect and enforce this tax are governed by the Real Property Tax Law. Real property assessment rolls used by the District are prepared by the Town. Assessment valuations are determined by the Town assessor and the State Board of Equalization and Assessment which is responsible for certain utility and railroad property. In addition, the State Board 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 of debt contracting and real property taxing limitations.

TABLE 5

Real Property Tax Assessment and Rates

	2014	2015	2016	2017	2018
Town of Amsterdam					
Assessed Value	$85,800	$85,800	$85,800	$85,800	$85,800
Equalization Rate	10.00%	9.65%	9.90%	9.38%	8.68%
Full Value	858,000	889,119	866,667	914,712	988,479
Town of Broadalbin					
Assessed Value	1,320,459	1,319,039	1,318,220	1,322,865	1,323,379
Equalization Rate	92.00%	92.00%	92.00%	91.81%	88.98%
Full Value	1,435,281	1,433,738	1,432,848	1,440,872	1,487,277
Town of Charlton					
Assessed Value	60,694,394	60,996,700	61,044,212	61,374,403	66,109,282
Equalization Rate	70.00%	71.00%	72.00%	72.00%	70.00%
Full Value	86,706,277	85,910,845	84,783,628	85,242,226	94,441,831
Town of Galway					
Assessed Value	227,340,261	227,514,341	228,543,272	230,077,787	237,957,294
Equalization Rate	56.00%	56.00%	58.00%	58.00%	56.00%
Full Value	405,964,751	406,275,608	394,040,124	396,685,840	424,923,739
Town of Glenville					
Assessed Value	894,950	894,950	991,330	992,130	992,628
Equalization Rate	95.00%	96.00%	95.00%	94.00%	92.00%
Full Value	942,052	932,239	1,043,505	1,055,457	1,078,943
Town of Milton					
Assessed Value	22,833,669	22,893,036	23,097,495	23,494,127	25,278,266
Equalization Rate	95.00%	94.25%	98.00%	96.00%	92.00%
Full Value	24,035,441	24,289,693	23,568,872	24,473,049	27,476,376

Town of Perth					
Assessed Value	10,713,890	10,932,057	10,960,207	11,045,457	11,277,097
Equalization Rate	61.00%	61.005	61.00%	61.00%	53.49%
Full Value	17,563,754	17,921,404	17,967,552	18,107,307	21,082,627
Town of Providence					
Assessed Value	28,605,122	28,678,672	28,547,663	136,816,544	139,682,406
Equalization Rate	20.00%	21.00%	21.00%	100.00%	100.00%
Full Value	143,025,610	136,565,104	135,941,252	136,816,544	139,682,406
Total:					
Assessed Value	$352,488,545	$353,314,595	$354,588,199	$465,209,113	$482,706,152
Full Value	$680,531,166	$674,217,750	$659,644,449	$664,736,008	$711,161,678
Tax Levy	$9,585,389	$9,750,258	$9,929,769	$10,066,021	$10,350,093

Source: District Officials

Tax Limit

The Constitution does not limit the amount that may be raised by the District-wide tax levy on real estate in any fiscal year. The District is not subject to constitutional real property taxing limitations. See, however, the discussion immediately below under the subheading "Tax Levy Limitation Law."

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the 2011 Laws of New York was signed into law by the Governor (the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City). The discussion herein does not include school districts in New York City, Buffalo, Rochester, Syracuse, or Yonkers.

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

The Tax Levy Limitation Law now requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-13 fiscal year.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. It expires on June 16, 2020 unless extended. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases or changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district could exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a budget by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least a simple majority of those voting. A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

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

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

Real Property Tax Rebate (Chapter 59 and Chapter 20). Chapter 59 of the Laws of 2014 ("Chapter 59") included provisions which provided a refundable personal income tax credit to real property taxpayers in school districts in 2014 and 2015 and certain municipal units of government in 2015 and 2016. The eligibility of real property taxpayers for the tax credit in each year depended on such jurisdiction's compliance with the provisions of the Tax Credit Limitation Law. For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers was additionally contingent upon adoption by the school district or municipal unit of a State approved "government efficiency plan" which demonstrated three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies.

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

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

NYSUT Lawsuit. On February 20, 2013, the New York State United Teachers ("NYSUT") 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

The real property taxes of the District are collected by the Town. Such taxes are due on October 2, and may be paid without penalty through October 15. The Town pays to the District the amounts collected on a periodic basis. The penalty on unpaid taxes is 2% from October 3 through October 27 and additional 1% for each month thereafter. On or about December 1, the Town files a report of any uncollected District taxes with the County. The County thereafter on or before April pays to the District the full amount of its uncollected taxes. Thus, the full amount of the District's real property tax levy is collected by the District in the fiscal year of the levy. The County has the power to issue and sell tax anticipation notes to fund the reimbursement of uncollected taxes due to the District.

The District is not responsible for the collection of taxes of any other unit of government.

Ten of the Largest Taxpayers

The following table presents the total 2017 assessed valuations of ten of the District's largest property owners used for the 2018 tax levy.

TABLE 6
Ten Largest Taxpayers

Name	Type	Value [1]	Percentage of Total Assessed Valuation
Ruback Grove Campers	Seasonal/Recreational	$12,733,621	1.79%
Niagara Mohawk	Utility	5,417,613	0.76%
City of Amsterdam	Reservoir	5,316,148	0.75%
Forest Hills	Mobile Home Park	4,336,735	0.61%
Charles Mothon	Residential	1,753,194	0.25%
Galway Lake Campers Assoc.	Seasonal/Recreational	1,659,310	0.23%
Robert Eaton	Nursery Farm	1,571,379	0.22%
James Holbrook	Farm	1,449,483	0.20%
David Wood	Farm	1,448,611	0.20%
Pioneer Hills Corporation	Seasonal/Recreational	793,878	0.11%
	Total:	$36,479,971	5.13%

(1) The above ten taxpayers represent 5.13% of the School District's total assessed valuation of $711,161,678.

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 2017-18 school levy year, homeowners subject to certain household income limitations are eligible for an enhanced exemption and basic exemption as follows:

Town of:	Enhanced Exemption	Basic Exemption
Amsterdam	$5,820	$2,670
Broadalbin	60,140	27,540
Charlton	61,500	28,250
Galway	49,530	22,690
Glenville	61,570	28,200
Milton	81,980	37,550
Perth	39,960	18,300
Providence	85,420	39,240

Date Certified: 4/7/2017

The enhanced or basic STAR exemption is the amount that an assessment is reduced prior to the levy of school taxes. For example, the owner of a house that is assessed at $150,000, assuming an enhanced STAR exemption of $50,000, would pay school taxes on a taxable assessment of $100,000 ($150,000 - $50,000).

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

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

Town of:	Basic Maximum Savings	Enhanced Maximum Savings
Amsterdam	$413	$827
Broadalbin	427	808
Charlton	495	991
Galway	527	1,057
Glenville	400	773
Milton	521	1,046
Perth	407	770
Providence	536	1,072

Updated: 07/17/2017

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

DISTRICT INDEBTEDNESS

Constitutional Requirements

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

Purpose and Pledge

Subject to certain enumerated exceptions, 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, 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 expiration of the period of probable usefulness of the object or purpose as determined by statute; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the District has authorized indebtedness having substantially level or declining annual debt service. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes, and capital notes.

General

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

Statutory Procedure

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

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

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

The Board of Education, as the finance board of the District, also has the power to authorize the sale and issuance of bonds and notes. However, such finance board may delegate the power to sell securities 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 ten per centum of the full valuation of taxable real estate of the District and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio which such assessed valuation bears to the full valuation as determined by the State Board of Equalization and Assessment. The State Legislature is required to prescribe the manner by which such ratio shall be determined.

Statutory Debt Limit and Net Indebtedness

The debt limit of the District is $71,116,168. This is calculated by taking 10% of the current full value of the District as of May 17, 2018.

TABLE 7
Statutory Debt Limit and Net Indebtedness

Full Value:	$711,161,678
Debt Limit: 10% of Full Valuation:	71,116,168
Gross Indebtedness:	
Serial Bonds	5,260,000
BANs	0
Exclusions:	
Estimated Building Aid (1)	0
Total Net Indebtedness:	$ 5,260,000
Net Debt Contracting Margin:	$ 65,856,168
Percentage of Debt Contracting Margin Exhausted:	7.40%

(1) The District has received and expects to continue to receive State Aid on a portion of existing indebtedness contracted for school building purposes pursuant to Section 121.20 of the Local Finance Law. However, since the District has not applied for a building aid exclusion certificate from the Commissioner of Education, the District may not exclude such portion from the gross indebtedness. State aid for qualifying building purposes is currently estimated by District officials at 78.7%.

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.

Such 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 such 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 such provisions of the SFL.

Under current law, provision is made for contract creditors (including the Noteholders) 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 Noteholders remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

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

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

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

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

Short-Term Indebtedness

The District does not have any bond anticipation notes outstanding.

Authorized but Unissued Indebtedness

On May 17, 2016, the District approved the issuance of $24,950,000 of serial bonds obligation bonds to finance the renovation and reconstruction of various school buildings, including site work, the reconstruction of athletic fields and the construction of athletic fields. Following the issuance of The Notes, The District will have 9,950,000 of authorized but unissued indebtedness which will be issued over the next two years.

Trend of Outstanding Indebtedness

The following table provides information relating to outstanding long-term indebtedness, not including refunded bonds, on June 30, for the last six fiscal years.

TABLE 8
Outstanding Bond Indebtedness

Fiscal Year End	Total Serial Bonds
2013	$8,255,000
2014	7,520,000
2015	6,670,000
2016	7,245,000
2017	5,260,000

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 an estimate of the amount of overlapping and underlying debt and the District's share of this debt.

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TABLE 9
Statement of Direct and Overlapping Indebtedness

Overlapping Units	Total Net Indebtedness	As of:	Percentage Applicable	Applicable Net Indebtedness
Counties of:				
Fulton	$1,339,189	09/27/17	0.62%	$830,297
Montgomery	33,168,031	09/27/17	0.04%	1,326,721
Saratoga	60,630,000	09/27/17	2.97%	1,800,711
Schenectady	81,627,000	09/27/17	0.01%	816,270
Towns of:				
Amsterdam	3,990,000	09/27/17	0.23%	917,700
Broadalbin	342,000	09/27/17	0.40%	136,800
Charlton	1,742,900	09/27/17	19.72%	343,700
Galway	415,795	09/27/17	99.28%	412,801
Glenville	15,245,854	09/27/17	0.04%	609,834
Milton	0	09/27/17	1.99%	0
Perth	258,260	09/27/17	8.84%	22,830
Providence	0	09/27/17	77.76%	0
Village of:				
Galway	0	09/27/17	100.00%	0
Total Net Overlapping Debt				$ 7,217,665
Net Direct Debt				5,260,000
Total Net Direct and Overlapping Debt				$12,477,665

Source: Annual Reports of the respective units for the most recently completed fiscal year on file with the Office of the State Comptroller, local officials 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 10
Debt Ratios

	Amount	Debt Per Capita [1]	Debt to Full Value [2]
Net Direct Debt	$ 5,260,000	$740	0.74%
Net Direct and Overlapping Debt	$12,477,665	$1,757	1.75%

[1] The population of the District is estimated by District officials to be approximately 7,102.
[2] The District's full value of taxable real property for fiscal year 2017-18 is $711,161,678.

Debt Service Schedule

The following table sets forth all principal and interest payments required on the District’s outstanding bonded indebtedness in each fiscal year exclusive of bonds that have been economically defeased.

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TABLE 11
Schedule of Principal and Interest on Long-Term Bond Indebtedness
(As of May 17, 2018)

Fiscal Year Ending June 30	Total Principal	Total Interest	Total
2018	$ 0	$74,893	$74,893
2019	1,175,000	124,713	1,299,713
2020	1,125,000	93,713	1,218,713
2021	570,000	67,438	637,438
2022	455,000	54,731	509,731
2023	370,000	46,019	416,019
2024	380,000	37,694	417,694
2025	385,000	29,144	414,144
2026	395,000	20,000	415,000
2027	405,000	10,125	415,125
Total	$5,260,000	$558,468	$5,818,468

ECONOMIC AND DEMOGRAPHIC DATA

School Enrollment Trends

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

TABLE 12
School Enrollment Trends

Fiscal Year	Actual Enrollment	Fiscal Year	Projected Enrollment
2015-16	820	2018-19	875
2016-17	808	2019-20	875
2017-18	869	2020-21	875

Source: District Officials.

Population

The District estimates its population to be approximately 7,102. The following table presents population trends for the County and State based upon recent census data and is not necessarily representative of the District.

TABLE 13
Population Trend

	2000	2010	Percentage Change 2000/2010
County	201,570	219,607	2.4%
State	18,976,457	19,378,102	2.1%

Source: U.S. Census

Employment and Unemployment

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

TABLE 14
Civilian Labor Force
(000s)

	2012	2013	2014	2015	2016
Saratoga County	117.4	117.6	115.9	116.9	
State	9,612.2	9,623.1	9,570.1	9,591.2	9,584.5

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

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 15
Yearly Average Unemployment Rates

Year	Saratoga County	State
2012	6.8%	8.5%
2013	5.8%	7.7%
2014	4.7%	6.3%
2015	4.2%	5.3%
2016	3.8%	4.8%

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

TABLE 16
Monthly Unemployment Rates

Month	Saratoga County	State
December	3.7%	4.5%
January 2017	4.5%	4.9%
February	4.4%	5.0%
March	3.6%	4.4%
April	3.7%	4.2%
May	3.6%	4.3%
June	3.8%	4.5%
July	3.8%	4.9%
August	3.8%	4.9%
September	3.8%	4.7%
October	3.7%	4.6%
November	4.0%	4.5%
December	4.1%	4.4%

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

LITIGATION

In common with other school districts, the District from time to time receives notices of claim and is party to litigation. In the opinion of the District after consultations with its attorneys, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no claims or action pending which, if determined against the District, would have an adverse material effect on the financial condition of the District.

END OF APPENDIX A

Contents

APPENDIX B

FINANCIALS

GALWAY CENTRAL SCHOOL DISTRICT
Balance Sheet
General Fund
Fiscal Year Ended June 30:

	2016	2017
ASSETS:		
Unrestricted Cash	$2,073,367	$4,672,782
Restricted Cash	2,293,968	543,968
Due From Other Funds	1,371,657	52,663
Due From Fiduciary Funds	782,884	0
State and Federal Aid	434,038	408,040
Other Receivables	46,851	29,164
Total Assets	$7,002,765	$5,706,617
LIABILITIES:		
Accounts Payable	$97,110	$89,121
Accrued Liabilities	69,050	52,575
Due to Other Funds	829,620	0
Unearned Revenue	0	724
Due to Employees' Retirement Systems	76,771	69,580
Due to Teachers' Retirement Systems	917,432	810,625
Total Liabilities	1,989,983	1,022,625
FUND BALANCES:		
Restricted	2,293,968	543,968
Assigned	1,226,604	1,682,466
Unassigned	1,491,910	2,457,558
Total Fund Equity	5,012,482	4,683,992
Total Liabilities and Fund Equity	$7,002,465	$5,706,617

Source: Annual Audited Financial Reports of the District.
Summary not subject to audit.

GALWAY CENTRAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Fund Balance
General Fund
Fiscal Year Ending June 30

	2013	2014	2015	2016	2017
Revenues					
Real Property Taxes	$9,126,326	$8,325,655	$8,487,716	$8,643,864	$8,565,223
Other Tax Items	13,827	1,282,033	1,310,474	1,338,637	1,546,026
Charges for Services	29,879	6,116	21,685	31,679	100,455
Use of Money and Property	5,112	10,302	27,039	6,738	16,780
Sale of Property & Comp. For Loss	12,853	(1,394)	59,985	24,575	0
Miscellaneous	206,002	182,255	298,499	199,406	420,487
State Aid	6,826,053	7,027,952	7,475,864	8,047,105	8,448,434
Federal Sources	51,410	42,938	63,936	60,677	15,035
Total Revenues	16,271,462	16,875,857	17,745,198	18,352,681	19,112,440
Expenditures					
General Support	1,949,591	2,249,961	2,292,896	2,342,592	2,250,492
Instruction	8,155,596	8,747,219	9,178,342	9,343,871	9,386,391
Pupil Transportation	1,260,168	1,180,627	1,049,217	1,000,876	1,062,096
Employee Benefits	3,433,863	3,670,543	3,906,938	3,672,901	3,633,036
Debt Service	926,514	933,225	136,320	263,500	422,598
Total Expenditures	15,725,732	16,781,575	16,563,713	16,623,740	16,754,613
Excess (Deficiency) of Revenues over Expenditues	545,730	94,282	1,181,485	1,728,941	2,357,827
Other Sources and (Uses)					
Transfers In	0	0	259,587	0	0
Transfers Out	(9,775)	(9,764)	(942,563)	(921,623)	(2,686,317)
Total Other Sources and (Uses)	(9,775)	(9,764)	(682,976)	(921,623)	(2,686,317)
Excess (Deficiency) of Revenues and Other Sources Over Expenditues and Other (Uses)	535,955	84,518	498,509	807,318	(328,490)
FUND EQUITY					
Fund Balance Beginning of Year	3,086,182	3,622,137	3,706,655	4,205,164	5,012,482
Fund Balance End of Year	$3,622,137	$3,706,655	$4,205,164	$5,012,482	$4,683,992

Source: Annual Audited Financial Reports of the District.
Summary not subject to audit.

GALWAY CENTRAL SCHOOL DISTRICT
Statement of Estimated Revenues and Budgetary Appropriations
General Fund

	Adopted Budget 2016-17	Adopted Budget 2017-18
Estimated Revenues:		
Real Property Taxes and Tax Items	$10,066,021	$10,350,093
Other Tax Items	35,000	35,000
Charges for Services	12,000	15,000
Use of Money and Property	10,000	5,000
Sale of Property/Compensation for Loss	2,000	0
Miscellaneous	156,000	162,131
State Aid	8,628,586	8,891,441
Federal Aid	45,000	45,000
Interfund Transfers	5,000	5,000
Total Estimated Revenues	18,959,607	19,508,665
Appropriated Fund Balance	1,200,000	1,550,254
Total Estimated Revenues and Appropriated Fund Balance	$20,159,607	$21,058,919
Appropriations:		
General Support	$2,669,909	$3,269,135
Instruction	10,190,787	10,125,619
Transportation	1,213,161	1,241,125
Employee Benefits	4,755,291	5,094,805
Debt Service	372,509	372,509
Interfund Transfers	957,950	955,726
Total Appropriations:	$20,159,607	$21,058,919

Source: Adopted budgets of the District.

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/ES1077748-ES841601-ES1242631.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. Lumsden & McCormick, 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.**