

**EXTRACT OF MINUTES OF MEETING OF BOARD OF
EDUCATION ADOPTING REFUNDING BOND
RESOLUTION**

At a meeting of the Board of Education of the Horseheads Central School District, New York, duly held on the 20th day of April, 2016:

Present:

Absent:

_____ presented the following resolution and moved that it be adopted:

**REFUNDING BOND RESOLUTION OF THE
HORSEHEADS CENTRAL SCHOOL DISTRICT DATED
APRIL 20, 2016 AUTHORIZING THE REFUNDING OF
ALL OR A PORTION OF CERTAIN OUTSTANDING
SERIAL BONDS, STATING THE PLAN OF REFUNDING,
AUTHORIZING THE ISSUANCE OF NOT TO EXCEED
\$6,622,000 REFUNDING BONDS AND DETERMINING
OTHER MATTERS IN CONNECTION THEREWITH.**

WHEREAS, the Horseheads Central School District, New York (the "School District") has heretofore duly issued \$12,260,486 aggregate principal amount of School District (Serial) Bonds, 2008, such bonds being dated October 1, 2008 and maturing in annual installments in each of the years 2009 to 2023, both inclusive (the "Refunded Bonds"); and

WHEREAS, the Refunded Bonds were authorized pursuant to a bond resolution dated December 18, 2006 and were issued to finance the construction of additions to and reconstruction of various School District buildings, including site work thereat, and the acquisition of original furnishings, equipment, machinery or apparatus required for the purpose for which such additions and reconstructed buildings are to be used; and

WHEREAS, it would be in the public interest to refund all or a portion of the outstanding principal balance of the Refunded Bonds by the issuance of refunding bonds pursuant to Section 90.10 of the Local Finance Law; and

WHEREAS, such refunding will result in present value savings in debt service as required by Section 90.10 of the Local Finance Law;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION AS FOLLOWS:

Section 1. The School District is hereby authorized to refund all or a portion of the outstanding principal balance of the Refunded Bonds.

Section 2. Attached hereto as Appendix "A" and incorporated herein by reference is the estimated financial plan for the refunding of the Refunded Bonds (the "Refunding Financial Plan") showing the sources and amounts of all amounts of moneys required to accomplish the Refunding Financial Plan. The Refunding Financial Plan has been prepared based upon the assumption that the Refunding Bonds (as defined herein) will be issued in a single series to refund all of the Refunded Bonds maturing on and after October 1, 2017. This Board of Education recognizes that the Refunding Bonds may be issued in one or more series, and for only a portion of the Refunded Bonds, and that the Refunding Financial Plan most probably will be different from that attached hereto. The President of the Board of Education is hereby authorized and directed to determine which of the Refunded Bonds will be refunded and the timing thereof.

Section 3. Subject only to the issuance of the Refunding Bonds as herein authorized, the School District hereby elects to redeem all of the Refunded Bonds that are callable at a present value savings, if any. Upon the issuance of the Refunding Bonds, the election to redeem such

callable Refunded Bonds shall become irrevocable. The Escrow Agent (as defined herein) for the Refunding Bonds is hereby authorized and directed to cause notice of such call for redemption to be given in the name of the School District in the manner and within the time provided in the Refunded Bonds and in Section 53 of the Local Finance Law. Upon the issuance of the Refunding Bonds, the election to call in and redeem the callable Refunded Bonds and the direction to the Escrow Agent to cause notice thereof to be given as provided in this Section 3 shall become irrevocable, provided that this Section may be amended from time to time as may be necessary in order to comply with the publication requirements of paragraph a of Section 53.00 of the Local Finance Law, or any successor law thereto.

Section 4. The School District is hereby authorized to issue its serial general obligation refunding bonds (the "Refunding Bonds") in the aggregate principal amount of not to exceed \$6,622,000, in order to refund (including an advance refunding for federal income tax purposes) all or a portion of the Refunded Bonds. The Refunding Bonds described herein are hereby authorized to be consolidated for purposes of sale in one or more refunding serial bond issues. The Refunding Bonds shall each be designated substantially "SCHOOL DISTRICT REFUNDING (SERIAL) BOND" together with such series designation and year as is appropriate on the date of sale thereof, shall be of the denomination of \$5,000 or any integral multiple thereof (except for any odd denominations, if necessary) not exceeding the principal amount of each respective maturity, shall be dated on such dates, and shall mature on such dates in such years, bearing interest on such dates, at the rate or rates of interest per annum, as may be necessary to sell the same, all as shall be determined by the President of the Board of Education pursuant to Sections 5 and 10 hereof. It is hereby further determined that such Refunding Bonds

may be issued to refund all or a portion of the Refunded Bonds, subject to the limitation hereinafter described in Section 13 hereof relating to approval by the State Comptroller.

Section 5. The President of the Board of Education is hereby authorized and directed to determine the amount and the number of series of the Refunding Bonds to be issued, the maturities and terms thereof, the provisions relating to the redemption of Refunding Bonds prior to maturity, if any, whether the Refunding Bonds will be insured by a policy or policies of municipal bond insurance or otherwise enhanced by a credit enhancement facility or facilities, whether the Refunding Bonds shall be sold at a discount in the manner authorized by paragraph c of Section 57.00 of the Local Finance Law, and the rate or rates of interest to be borne thereby, whether the Refunding Bonds shall be issued having substantially level or declining annual debt service and all matters related thereto, and to prepare, or cause to be provided, a final Refunding Financial Plan and, in accordance herewith, all powers in connection therewith are hereby delegated to the President of the Board of Education, provided that the terms of the Refunding Bonds to be issued, including the rate or rates of interest borne thereby, shall comply with the requirements of Section 90.10 of the Local Finance Law.

The Refunding Bonds may be subject to redemption prior to maturity upon such terms as the President of the Board of Education shall prescribe, which terms shall be in compliance with the requirements of Section 53.00 (b) of the Local Finance Law. If less than all of the Refunding Bonds of any maturity are to be redeemed, the particular Refunding Bonds of such maturity to be redeemed shall be selected by the School District by lot in any customary manner of selection as determined by the President of the Board of Education. Notice of such call for redemption shall be given by mailing such notice to the registered owners not less than thirty (30) days prior to such date and as otherwise provided in Securities and Exchange Commission Release No. 34-

26856, as the same may be amended from time to time. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

The Refunding Bonds shall be issued in registered form and shall not be registrable to bearer or convertible into bearer coupon form. In the event said Refunding Bonds are issued in non-certificated form, such bonds, when issued, shall be issued initially in registered form in denominations such that one bond shall be issued for each maturity of bonds and shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the bonds in accordance with the book-entry-only system of DTC. In the event that either DTC shall discontinue the book-entry-only system, or the School District shall terminate its participation in such book-entry-only system, such bonds shall thereafter be issued in certificated form of the denomination of \$5,000 each or any integral multiple thereof (except for any odd denominations, if necessary) not exceeding the principal amount of each respective maturity. In the case of non-certificated Refunding Bonds, principal of and interest on the bonds shall be payable by check or draft mailed by the Fiscal Agent (as defined herein) to the Depository Trust Company, New York, New York, or to its nominee, Cede & Co., while the Refunding Bonds are registered in the name of Cede & Co. in accordance with such book-entry-only system. Principal shall be payable only upon surrender of the bonds at the principal corporate trust office of such Fiscal Agent (or at the office of the School District Clerk as Fiscal Agent as hereinafter provided).

In the event said Refunding Bonds are issued in certificated form, principal of and interest on the Refunding Bonds shall be payable by check or draft mailed by the Fiscal Agent to

the registered owners of the Refunding Bonds as shown on the registration books of the School District maintained by the Fiscal Agent, as of the close of business on the fifteenth day of the calendar month or last business day of the calendar month preceding each interest payment date as appropriate and as provided in a certificate of the President of the Board of Education providing for the details of the Refunding Bonds. Principal shall be payable only upon surrender of bonds at the principal corporate trust office of a bank or trust company or banks or trust companies located or authorized to do business in the State of New York, as shall hereafter be designated by the President of the Board of Education as fiscal agent of the School District for the Refunding Bonds (collectively, the "Fiscal Agent"). Refunding Bonds in certificated form may be transferred or exchanged at any time prior to maturity at the principal corporate trust office of the Fiscal Agent for bonds of the same maturity of any authorized denomination or denominations in the same aggregate principal amount. Principal and interest on the Refunding Bonds shall be payable in lawful money of the United States of America.

The President of the Board of Education, as chief fiscal officer of the School District, is hereby authorized and directed to enter into an agreement or agreements containing such terms and conditions as he/she shall deem proper with the Fiscal Agent, for the purpose of having such bank or trust company or banks or trust companies act in connection with the Refunding Bonds as the Fiscal Agent for said School District, to perform the services described in Section 70.00 of the Local Finance Law, and to execute such agreement or agreements on behalf of the School District, regardless of whether the Refunding Bonds are initially issued in certificated or non-certificated form; provided, however, that the President of the Board of Education is hereby authorized to name the School District Clerk as the Fiscal Agent in connection with the Refunding Bonds if said Refunding Bonds are issued in non-certificated form.

The President of the Board of Education is hereby further delegated all powers of this Board of Education with respect to agreements for credit enhancement, derived from and pursuant to Section 168.00 of the Local Finance Law, for said Refunding Bonds, including, but not limited to the determination of the provider of such credit enhancement facility or facilities and the terms and contents of any agreement or agreements related thereto.

Section 6. The maximum amount of Refunding Bonds authorized to be issued does not exceed the amount sufficient to pay the sum of (a) the principal amount of the Refunded Bonds, which will be outstanding as of the date of issue of the Refunding Bonds, (b) the aggregate amount of unmatured interest payable on the Refunded Bonds to and including either the dates the Refunded Bonds mature or, if such Refunded Bonds are to be called for redemption prior to their maturities, the dates set for such redemption in accordance with the Refunding Financial Plan, (c) redemption premiums, if any, payable on the Refunded Bonds as of such redemption dates and (d) costs and expenses incident to the issuance of the Refunding Bonds, including the development of the Refunding Financial Plan, and of executing and performing the terms and conditions of the escrow contract and all fees and charges of the Escrow Holder.

Section 7. The maximum period of probable usefulness permitted by law at the time of issuance of the Refunded Bonds for the object or purpose or objects or purposes for which the Refunded Bonds were issued is thirty (30) years.

Section 8. The President of the Board of Education is hereby authorized and directed to contract on behalf of the School District with a bank or trust company located and authorized to do business in the State of New York for the purpose of having such bank or trust company act as the escrow holder (the "Escrow Holder") of the proceeds, inclusive of any premium, from the sale of the Refunding Bonds, together with all income derived from the investment of such

proceeds, and any other moneys provided by the School District to accomplish the Refunding Financial Plan. The contract with the Escrow Holder shall comply in all respects with Section 90.10 of the Local Finance Law.

Section 9. That portion of the proceeds of the sale of the Refunding Bonds, together with interest earned thereon, which shall be required for the payment of the principal of and interest on, the Refunded Bonds to be refunded, including any redemption premiums, in accordance with the Refunding Financial Plan, shall be irrevocably committed and pledged to such purpose and the holders of the Refunded Bonds to be refunded shall have a lien upon such moneys and the investments thereof held by the Escrow Holder. All interest earned from the investment of the proceeds of the sale of the Refunding Bonds not required for such payments on the Refunded Bonds to be refunded, shall be irrevocably committed and pledged to the payment of the principal of and interest on the Refunding Bonds and the holders of the Refunding Bonds shall have a lien upon such moneys held by the Escrow Holder. The pledges and liens provided for in this Section shall become valid and binding upon the issuance of the Refunding Bonds and the moneys and investments held by the Escrow Holder shall immediately be subject thereto without any further act.

Section 10. Subject to the provisions of the Local Finance Law and this Resolution, the power to determine the final Refunding Financial Plan, to prescribe the terms, form and contents of the Refunding Bonds and to sell (including the power to sell the Refunding Bonds at a discount and pursuant to a private sale), issue and deliver the Refunding Bonds is hereby delegated to the President of the Board of Education, the chief fiscal officer of the School District. The Refunding Bonds shall be sold at private sale to Roosevelt & Cross, Inc. (or any successor thereto) (the "Underwriter") for purchase prices to be determined by the President of

the Board of Education, plus accrued interest from the date or dates of the Refunding Bonds to the date or dates of delivery of payment for the Refunding Bonds. Subject to the approval of the terms and conditions of such private sale by the State Comptroller as required by subdivision 2 of paragraph f of Section 90.10 of the Local Finance Law, the President of the Board of Education is hereby authorized to execute and deliver a purchase contract for the Refunding Bonds in the name and on behalf of the School District providing the terms and conditions for the sale and delivery of the Refunding Bonds to the Underwriter. After the Refunding Bonds have been duly executed, they shall be delivered by the President of the Board of Education to the Underwriter in accordance with said purchase contract upon the receipt by the School District of said purchase price, including accrued interest.

Section 11. The President of the Board of Education is hereby authorized to execute and the District Clerk is hereby authorized to attest any Refunding Bonds issued pursuant to this Resolution, and the District Clerk is hereby authorized to affix to such Refunding Bonds the corporate seal of the School District. The President of Board of Education and all other officers, employees and agents of the School District are hereby authorized and directed for and on behalf of the School District to execute and deliver all certificates and other documents, perform all acts and do all things required or contemplated to be executed, performed or done by this resolution or any document or agreement approved hereby.

Section 12. The faith and credit of the Horseheads Central School District, New York are hereby irrevocably pledged for the payment of the principal of and interest on such Refunding Bonds as the same become due and payable. An annual appropriation shall be made in each year sufficient to pay the principal of and interest on the Refunding Bonds becoming due and payable in such year. There shall be levied annually on all taxable real property of the School District, a

tax sufficient to pay the principal of and interest on such Refunding Bonds as the same becomes due and payable.

Section 13. Notwithstanding anything to the contrary contained herein, the School District shall not issue the Refunding Bonds until it shall have obtained the approval of the Office of the State Comptroller in accordance with the provisions of Section 90.10 of the Local Finance Law.

Section 14. This Resolution shall be published in summary form by the District Clerk together with a notice in substantially the form prescribed by Section 81.00 of the Local Finance Law, and such publication shall be in each of the official newspapers of the School District. The validity of the Refunding Bonds may be contested only if such obligations are authorized for an object or purpose for which the School District is not authorized to expend money, or the provisions of law which should be complied with at the date of publication of the summary of this Resolution are not substantially complied with, and an action, suit or proceeding contesting such validity is commenced within twenty (20) days after the date of such publication; or if said obligations are authorized in violation of the provisions of the Constitution.

Section 15. The law firm of Barclay Damon, LLP is hereby appointed to serve as bond counsel to the School District in connection with the issuance of the Refunding Bonds.

Section 16. This Resolution shall take effect immediately upon its adoption.

The Motion having been duly seconded by _____, it was adopted and the following votes were cast:

AYES

NAYS

STATE OF NEW YORK)
) SS.:
COUNTY OF CHEMUNG)

I, the undersigned Clerk of the Horseheads Central School District, do hereby certify as follows:

1. A Regular Meeting of the Board of Education of the Horseheads Central School District, State of New York, was duly held on April 20, 2016, and Minutes of said meeting have been duly recorded in the Minute Book kept by me in accordance with law for the purpose of recording the Minutes of meetings of said Board. I have compared the attached Extract with said Minutes so recorded and said Extract is a true copy of said Minutes and of the whole thereof insofar as said Minutes relate to matters referred to in said Extracts.

2. Said Minutes correctly state the time when said Meeting was convened and the place where such meeting was held and the members of said Board who attended said Meeting.

3. Public Notice of the time and place of said Meeting was duly given to the public and the News media in accordance with the Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, and that the members of said Board had due notice of said Meeting and that the Meeting was in all respects duly held and a quorum was present and acted throughout.

IN WITNESS WHEREOF, I have hereunto set my hand and have hereunto affixed the corporate seal of the Horseheads Central School District this ___ day of April, 2016.

District Clerk

[Seal]

APPENDIX A

Refunding Financial Plan

[Roosevelt & Cross, Inc. Preliminary Financial Plan]

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Horseheads Central School District, NY
 Refunding Callable 2008 Bonds
 Refunding Callable 2008 Bonds (10/1/18 - 23)
 Insured (A+ Underlying); BQ; Not Callable

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REFUNDING HIGHLIGHTS

Horseheads Central School District, NY
Refunding Callable 2008 Bonds
Refunding Callable 2008 Bonds (10/1/18 - 23)
Insured (A+ Underlying); BQ; Not Callable

Dated/Delivery Date	06/02/2016
Refunding Bond Par Amount	6,020,000.00
Bond Arbitrage Yield	1.553006%
Escrow Yield	0.715755%
Refunded Bonds Par Amount	5,895,000.00
<hr/>	
Net PV Savings	577,589.46
% Savings of Refunded Bonds	9.7980%

Date	FY Savings
06/30/2017	77,988.19
06/30/2018	75,675.00
06/30/2019	74,537.50
06/30/2020	78,925.00
06/30/2021	75,600.00
06/30/2022	76,000.00
06/30/2023	77,325.00
06/30/2024	74,400.00
<hr/>	
	610,450.69
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SOURCES AND USES OF FUNDS

Horseheads Central School District, NY
Refunding Callable 2008 Bonds
Refunding Callable 2008 Bonds (10/1/18 - 23)
Insured (A+ Underlying); BQ; Not Callable

Dated Date 06/02/2016
Delivery Date 06/02/2016

Sources:

Bond Proceeds:	
Par Amount	6,020,000.00
Premium	389,129.45
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	6,409,129.45

Uses:

Refunding Escrow Deposits:	
Cash Deposit	0.82
SLGS Purchases	6,291,223.00
	<hr/>
	6,291,223.82

Delivery Date Expenses:	
Cost of Issuance	65,000.00
Underwriter's Discount	36,120.00
Insurance	13,720.82
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	114,840.82

Other Uses of Funds:	
Additional Proceeds	3,064.81
	<hr/>
	6,409,129.45

SUMMARY OF REFUNDING RESULTS

Horseheads Central School District, NY
Refunding Callable 2008 Bonds
Refunding Callable 2008 Bonds (10/1/18 - 23)
Insured (A+ Underlying); BQ; Not Callable

Dated Date	06/02/2016
Delivery Date	06/02/2016
Arbitrage yield	1.553006%
Escrow yield	0.715755%
Bond Par Amount	6,020,000.00
True Interest Cost	1.679696%
Net Interest Cost	1.693549%
All-In TIC	1.910034%
Average Coupon	2.920130%
Average Life	4.781
Par amount of refunded bonds	5,895,000.00
Average coupon of refunded bonds	5.230988%
Average life of refunded bonds	4.944
PV of prior debt to 06/02/2016 @ 1.505123%	6,983,654.10
Net PV Savings	577,589.46
Percentage savings of refunded bonds	9.797955%

SAVINGS

Horseheads Central School District, NY
 Refunding Callable 2008 Bonds
 Refunding Callable 2008 Bonds (10/1/18 - 23)
 Insured (A+ Underlying); BQ; Not Callable

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 06/02/2016 @ 1.5051228%
10/01/2016	151,562.50	141,111.81	10,450.69		10,399.02
04/01/2017	151,562.50	84,025.00	67,537.50		66,701.60
06/30/2017				77,988.19	
10/01/2017	151,562.50	144,025.00	7,537.50		7,388.61
04/01/2018	151,562.50	83,425.00	68,137.50		66,292.63
06/30/2018				75,675.00	
10/01/2018	1,041,562.50	1,023,425.00	18,137.50		17,514.61
04/01/2019	130,425.00	74,025.00	56,400.00		54,056.26
06/30/2019				74,537.50	
10/01/2019	1,055,425.00	1,024,025.00	31,400.00		29,870.36
04/01/2020	107,300.00	59,775.00	47,525.00		44,872.14
06/30/2020				78,925.00	
10/01/2020	1,067,300.00	1,029,775.00	37,525.00		35,165.70
04/01/2021	83,300.00	45,225.00	38,075.00		35,414.61
06/30/2021				75,600.00	
10/01/2021	1,083,300.00	1,035,225.00	48,075.00		44,381.88
04/01/2022	58,300.00	30,375.00	27,925.00		25,587.24
06/30/2022				76,000.00	
10/01/2022	1,098,300.00	1,035,375.00	62,925.00		57,226.53
04/01/2023	29,700.00	15,300.00	14,400.00		12,998.12
06/30/2023				77,325.00	
10/01/2023	1,109,700.00	1,035,300.00	74,400.00		66,655.34
06/30/2024				74,400.00	
	7,470,862.50	6,860,411.81	610,450.69	610,450.69	574,524.65

Savings Summary

PV of savings from cash flow	574,524.65
Plus: Refunding funds on hand	3,064.81
Net PV Savings	577,589.46

BOND PRICING

Horseheads Central School District, NY
 Refunding Callable 2008 Bonds
 Refunding Callable 2008 Bonds (10/1/18 - 23)
 Insured (A+ Underlying); BQ; Not Callable

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	10/01/2016	85,000	2.000%	0.400%	100.527
	10/01/2017	60,000	2.000%	0.950%	101.384
	10/01/2018	940,000	2.000%	1.090%	102.087
	10/01/2019	950,000	3.000%	1.130%	106.094
	10/01/2020	970,000	3.000%	1.290%	107.178
	10/01/2021	990,000	3.000%	1.470%	107.815
	10/01/2022	1,005,000	3.000%	1.640%	108.144
	10/01/2023	1,020,000	3.000%	1.830%	107.990
		6,020,000			

Dated Date	06/02/2016	
Delivery Date	06/02/2016	
First Coupon	10/01/2016	
Par Amount	6,020,000.00	
Premium	389,129.45	
Production	6,409,129.45	106.463944%
Underwriter's Discount	-36,120.00	-0.600000%
Purchase Price	6,373,009.45	105.863944%
Accrued Interest		
Net Proceeds	6,373,009.45	

BOND DEBT SERVICE

Horseheads Central School District, NY
 Refunding Callable 2008 Bonds
 Refunding Callable 2008 Bonds (10/1/18 - 23)
 Insured (A+ Underlying); BQ; Not Callable

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2016	85,000	2.000%	56,111.81	141,111.81	
04/01/2017			84,025.00	84,025.00	
06/30/2017					225,136.81
10/01/2017	60,000	2.000%	84,025.00	144,025.00	
04/01/2018			83,425.00	83,425.00	
06/30/2018					227,450.00
10/01/2018	940,000	2.000%	83,425.00	1,023,425.00	
04/01/2019			74,025.00	74,025.00	
06/30/2019					1,097,450.00
10/01/2019	950,000	3.000%	74,025.00	1,024,025.00	
04/01/2020			59,775.00	59,775.00	
06/30/2020					1,083,800.00
10/01/2020	970,000	3.000%	59,775.00	1,029,775.00	
04/01/2021			45,225.00	45,225.00	
06/30/2021					1,075,000.00
10/01/2021	990,000	3.000%	45,225.00	1,035,225.00	
04/01/2022			30,375.00	30,375.00	
06/30/2022					1,065,600.00
10/01/2022	1,005,000	3.000%	30,375.00	1,035,375.00	
04/01/2023			15,300.00	15,300.00	
06/30/2023					1,050,675.00
10/01/2023	1,020,000	3.000%	15,300.00	1,035,300.00	
06/30/2024					1,035,300.00
	6,020,000		840,411.81	6,860,411.81	6,860,411.81

ESCROW REQUIREMENTS

Horseheads Central School District, NY
Refunding Callable 2008 Bonds
Refunding Callable 2008 Bonds (10/1/18 - 23)
Insured (A+ Underlying); BQ; Not Callable

Period Ending	Interest	Principal Redeemed	Total
10/01/2016	151,562.50		151,562.50
04/01/2017	151,562.50		151,562.50
10/01/2017	151,562.50	5,895,000.00	6,046,562.50
	454,687.50	5,895,000.00	6,349,687.50

ESCROW DESCRIPTIONS

Horseheads Central School District, NY
 Refunding Callable 2008 Bonds
 Refunding Callable 2008 Bonds (10/1/18 - 23)
 Insured (A+ Underlying); BQ; Not Callable

Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
Jun 2, 2016:						
SLGS	Certificate	10/01/2016	10/01/2016	137,089	0.290%	0.290%
SLGS	Certificate	04/01/2017	04/01/2017	129,262	0.570%	0.570%
SLGS	Note	10/01/2017	10/01/2016	6,024,872	0.720%	0.720%
				6,291,223		

SLGS Summary

SLGS Rates File	09MAR16
Total Certificates of Indebtedness	266,351.00
Total Notes	6,024,872.00
Total original SLGS	<u>6,291,223.00</u>

ESCROW STATISTICS

Horseheads Central School District, NY
 Refunding Callable 2008 Bonds
 Refunding Callable 2008 Bonds (10/1/18 - 23)
 Insured (A+ Underlying); BQ; Not Callable

Total Escrow Cost	Modified Duration (years)	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
6,291,223.82	1.290	0.715755%	0.715755%	6,223,790.47	67,433.34	0.01
6,291,223.82				6,223,790.47	67,433.34	0.01

Delivery date	06/02/2016
Arbitrage yield	1.553006%
Composite Modified Duration	1.290

ESCROW SUFFICIENCY

Horseheads Central School District, NY
Refunding Callable 2008 Bonds
Refunding Callable 2008 Bonds (10/1/18 - 23)
Insured (A+ Underlying); BQ; Not Callable

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
06/02/2016		0.82	0.82	0.82
10/01/2016	151,562.50	151,561.96	-0.54	0.28
04/01/2017	151,562.50	151,563.18	0.68	0.96
10/01/2017	6,046,562.50	6,046,561.54	-0.96	
	6,349,687.50	6,349,687.50	0.00	

PROOF OF ARBITRAGE YIELD

Horseheads Central School District, NY
Refunding Callable 2008 Bonds
Refunding Callable 2008 Bonds (10/1/18 - 23)
Insured (A+ Underlying); BQ; Not Callable

Date	Debt Service	Present Value to 06/02/2016 @ 1.5530064320%
10/01/2016	141,111.81	140,392.05
04/01/2017	84,025.00	82,952.29
10/01/2017	144,025.00	141,090.72
04/01/2018	83,425.00	81,095.64
10/01/2018	1,023,425.00	987,183.80
04/01/2019	74,025.00	70,853.47
10/01/2019	1,024,025.00	972,599.38
04/01/2020	59,775.00	56,335.70
10/01/2020	1,029,775.00	963,046.38
04/01/2021	45,225.00	41,968.57
10/01/2021	1,035,225.00	953,281.23
04/01/2022	30,375.00	27,755.13
10/01/2022	1,035,375.00	938,783.38
04/01/2023	15,300.00	13,765.75
10/01/2023	1,035,300.00	924,305.13
	6,860,411.81	6,395,408.63

Proceeds Summary

Delivery date	06/02/2016
Par Value	6,020,000.00
Premium (Discount)	389,129.45
Arbitrage expenses	-13,720.82
Target for yield calculation	6,395,408.63

SUMMARY OF BONDS REFUNDED

Horseheads Central School District, NY
Refunding Callable 2008 Bonds
Refunding Callable 2008 Bonds (10/1/18 - 23)
Insured (A+ Underlying); BQ; Not Callable

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
2008 Bonds, 2008:					
BOND	10/01/2018	4.750%	890,000.00	10/01/2017	100.000
	10/01/2019	5.000%	925,000.00	10/01/2017	100.000
	10/01/2020	5.000%	960,000.00	10/01/2017	100.000
	10/01/2021	5.000%	1,000,000.00	10/01/2017	100.000
	10/01/2022	5.500%	1,040,000.00	10/01/2017	100.000
	10/01/2023	5.500%	1,080,000.00	10/01/2017	100.000
			5,895,000.00		

PRIOR BOND DEBT SERVICE

Horseheads Central School District, NY
 Refunding Callable 2008 Bonds
 Refunding Callable 2008 Bonds (10/1/18 - 23)
 Insured (A+ Underlying); BQ; Not Callable

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2016			151,562.50	151,562.50	
04/01/2017			151,562.50	151,562.50	
06/30/2017					303,125.00
10/01/2017			151,562.50	151,562.50	
04/01/2018			151,562.50	151,562.50	
06/30/2018					303,125.00
10/01/2018	890,000	4.750%	151,562.50	1,041,562.50	
04/01/2019			130,425.00	130,425.00	
06/30/2019					1,171,987.50
10/01/2019	925,000	5.000%	130,425.00	1,055,425.00	
04/01/2020			107,300.00	107,300.00	
06/30/2020					1,162,725.00
10/01/2020	960,000	5.000%	107,300.00	1,067,300.00	
04/01/2021			83,300.00	83,300.00	
06/30/2021					1,150,600.00
10/01/2021	1,000,000	5.000%	83,300.00	1,083,300.00	
04/01/2022			58,300.00	58,300.00	
06/30/2022					1,141,600.00
10/01/2022	1,040,000	5.500%	58,300.00	1,098,300.00	
04/01/2023			29,700.00	29,700.00	
06/30/2023					1,128,000.00
10/01/2023	1,080,000	5.500%	29,700.00	1,109,700.00	
06/30/2024					1,109,700.00
	5,895,000		1,575,862.50	7,470,862.50	7,470,862.50

BOND SUMMARY STATISTICS

Horseheads Central School District, NY
 Refunding Callable 2008 Bonds
 Refunding Callable 2008 Bonds (10/1/18 - 23)
 Insured (A+ Underlying); BQ; Not Callable

Dated Date	06/02/2016
Delivery Date	06/02/2016
Last Maturity	10/01/2023
Arbitrage Yield	1.553006%
True Interest Cost (TIC)	1.679696%
Net Interest Cost (NIC)	1.693549%
All-In TIC	1.910034%
Average Coupon	2.920130%
Average Life (years)	4.781
Duration of Issue (years)	4.504
Par Amount	6,020,000.00
Bond Proceeds	6,409,129.45
Total Interest	840,411.81
Net Interest	487,402.36
Total Debt Service	6,860,411.81
Maximum Annual Debt Service	1,097,450.00
Average Annual Debt Service	935,865.20

Bond Component	Par Value	Price	Average Coupon	Average Life
Bond Component	6,020,000.00	106.464	2.920%	4.781
	6,020,000.00			4.781

	TIC	All-In TIC	Arbitrage Yield
Par Value	6,020,000.00	6,020,000.00	6,020,000.00
+ Accrued Interest			
+ Premium (Discount)	389,129.45	389,129.45	389,129.45
- Underwriter's Discount	-36,120.00	-36,120.00	
- Cost of Issuance Expense		-65,000.00	
- Other Amounts	-13,720.82	-13,720.82	-13,720.82
Target Value	6,359,288.63	6,294,288.63	6,395,408.63
Target Date	06/02/2016	06/02/2016	06/02/2016
Yield	1.679696%	1.910034%	1.553006%

AGGREGATE DEBT SERVICE

Horseheads Central School District, NY
 Refunding Callable 2008 Bonds
 Refunding Callable 2008 Bonds (10/1/18 - 23)
 Insured (A+ Underlying); BQ; Not Callable

Date	Refunding Callable 2008 Bonds Principal	Refunding Callable 2008 Bonds Interest	Unrefunded Bonds Principal	Unrefunded Bonds Interest	Aggregate Principal	Aggregate Interest	Aggregate Debt Service	Annual Aggregate D/S
10/01/2016	85,000	56,111.81	825,000	37,912.50	910,000	94,024.31	1,004,024.31	
04/01/2017		84,025.00		19,350.00		103,375.00	103,375.00	1,107,399.31
06/30/2017								
10/01/2017	60,000	84,025.00	860,000	19,350.00	920,000	103,375.00	1,023,375.00	
04/01/2018		83,425.00				83,425.00	83,425.00	1,106,800.00
06/30/2018								
10/01/2018	940,000	83,425.00			940,000	83,425.00	1,023,425.00	
04/01/2019		74,025.00				74,025.00	74,025.00	1,097,450.00
06/30/2019								
10/01/2019	950,000	74,025.00			950,000	74,025.00	1,024,025.00	
04/01/2020		59,775.00				59,775.00	59,775.00	1,083,800.00
06/30/2020								
10/01/2020	970,000	59,775.00			970,000	59,775.00	1,029,775.00	
04/01/2021		45,225.00				45,225.00	45,225.00	1,075,000.00
06/30/2021								
10/01/2021	990,000	45,225.00			990,000	45,225.00	1,035,225.00	
04/01/2022		30,375.00				30,375.00	30,375.00	1,065,600.00
06/30/2022								
10/01/2022	1,005,000	30,375.00			1,005,000	30,375.00	1,035,375.00	
04/01/2023		15,300.00				15,300.00	15,300.00	1,050,675.00
06/30/2023								
10/01/2023	1,020,000	15,300.00			1,020,000	15,300.00	1,035,300.00	
06/30/2024								1,035,300.00
	6,020,000	840,411.81	1,685,000	76,612.50	7,705,000	917,024.31	8,622,024.31	8,622,024.31

LEGAL NOTICE

The refunding bond resolution, a summary of which is published herewith, has been adopted on the 20th day of April, 2016, and the validity of the obligations authorized by such resolution may be hereafter contested only if such obligations were authorized for an object or purpose for which the Horseheads Central School District is not authorized to expend money or if the provisions of law which should have been complied with as of the date of publication of this notice were not substantially complied with, and an action, suit or proceeding contesting such validity is commenced within twenty (20) days after the date of publication of this notice, or such obligations were authorized in violation of the provisions of the constitution.

District Clerk

REFUNDING BOND RESOLUTION OF THE HORSEHEADS CENTRAL SCHOOL DISTRICT DATED APRIL 20, 2016 AUTHORIZING THE REFUNDING OF ALL OR A PORTION OF CERTAIN OUTSTANDING SERIAL BONDS, STATING THE PLAN OF REFUNDING, AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$6,622,000 REFUNDING BONDS AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH.

The class of objects or purposes to be financed: refunding all or a portion of the outstanding principal balance of the \$12,260,486 School District (Serial) Bonds, 2008, such bonds being dated October 1, 2008 (the "Refunded Bonds").

The Refunded Bonds were issued to finance the costs of the construction of additions to and reconstruction of various School District buildings, including site work thereat, and the acquisition of original furnishings, equipment, machinery or apparatus required for the purpose for which such additions and reconstructed buildings are to be used (the "Project").

The Project has a period of probable usefulness ("PPU") of thirty (30) years.

Maximum amount of obligations to be issued: \$6,622,000

Complete copies of the Resolution summarized herewith shall be available for public inspection during normal business hours at the Office of the District Clerk of the Horseheads Central School District, One Raider Lane, Horseheads, New York 14845 for a period of twenty days following the date of publication.