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

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 14, 2021

New Issue Book Entry

Moody's: "Aa3"
Standard & Poor's: "AA"
(See "RATINGS" herein)

$26,720,000*
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
School Facility Revenue Refunding Bonds
(Syracuse City School District Project) Series 2021A

Dated: Delivery Date **Due: as shown on inside cover**

The School Facility Revenue Refunding Bonds (Syracuse City School District Project) Series 2021A (the "***Series 2021A Bonds***") are being issued by the City of Syracuse Industrial Development Agency (the "***Issuer***") in accordance with Chapter 58 Pt. A-4 of the Laws of 2006 of the State of New York, as amended (the "***Syracuse Schools Act***"). The Series 2021A Bonds will be issued pursuant to an Indenture of Trust (Series 2021A Project) dated as of February 1, 2021 (the "***Indenture***") between the Issuer and Manufacturers and Traders Trust Company, as Trustee (the "***Trustee***"), to provide money to refinance a portion of the costs of design, reconstruction, renovation, rehabilitation, improvements, furnishing and/or equipping of certain existing school buildings for use by the City School District of the City of Syracuse (the "***SCSD***"). The Series 2021A Bonds are special limited obligations of the Issuer payable from amounts due solely from the SCSD and the City of Syracuse (the "***City***") under an Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008 (the "***2008 Original Installment Sale Agreement***"), which was previously amended eight times, each amendment corresponding to an issuance of school facility revenue bonds to be used for the betterment of, or refinancing of, existing school buildings within SCSD between 2010 and 2020, and the current amendment being Amendment No. 9 to Installment Sale Agreement dated as of February 1, 2021 (the "***Ninth Amended Agreement***" and together with the 2008 Original Installment Sale Agreement and the eight prior amendments, collectively, the "***Installment Sale Agreement***" or "***Agreement***"), each among the Issuer, the City, the SCSD and the Syracuse Joint Schools Construction Board (the "***JSCB***").

The obligation of the SCSD and the City to pay base installment purchase payments and installment purchase payments under the Installment Sale Agreement are deemed executory only to the extent of New York State building and operating aid, which aid does not include Expanding our Children's Education and Learning aid, that is appropriated by the New York State Legislature and paid to the SCSD or the City or any officer thereof, for the provision of public educational instruction for the City ("***State Aid to Education***"). Payment of State Aid to Education to the SCSD and the City is subject to annual appropriation of the State of New York (the "***State***"). Pursuant to a State Aid Depository Agreement, dated as of March 1, 2008 (the "***Depository Agreement***"), as previously amended by a First Amendment to State Aid Depository Agreement, dated as of December 1, 2010 (the "***First Amendment to State Aid Depository Agreement***" and together with the Depository Agreement collectively, the "***State Aid Depository Agreement***"), each among the SCSD, the City and Manufacturers and Traders Trust Company, as depository (the "***Depository***"), all State Aid to Education made payable to the SCSD or the City will be deposited into a State Aid Depository Fund with the Depository and, upon appropriation by the City and the SCSD, such State Aid to Education will be disbursed for the payment of principal and interest on the Series 2021A, Series 2020A, Series 2019A, Series 2018B Bonds (as defined herein), Series 2018A Bonds (as defined herein), Series 2017 Bonds (as defined herein), Series 2011B Bonds (as defined herein) and other purposes of the SCSD.

The Series 2021A Bonds are special limited obligations of the Issuer payable solely from: (i) the payment of base installment purchase payments and installment purchase payments by the SCSD and the City under the Installment Sale Agreement; and (ii) the pledge of certain funds, including a bond fund, under the Indenture. In the event the SCSD and the City fail to make an installment purchase payment under the Installment Sale Agreement, it is provided in the Syracuse Schools Act and the Indenture that, upon receipt by the New York State Comptroller (the "***State Comptroller***") of a certificate from the Trustee on behalf of the Issuer as to the amount of such failed payment, the State Comptroller shall withhold State Aid to Education payable to the SCSD or the City to the extent of the amount so stated in such certificate as not having been made, and shall immediately pay over to the Trustee on behalf of the Issuer the amount so withheld. The obligation of the SCSD and the City under the Installment Sale Agreement to pay base installment purchase payments and installment purchase payments is not a general obligation of the SCSD or the City and neither the faith and credit nor the taxing powers of the City is pledged to the payment of base installment purchase payments and installment purchase payments under the Installment Sale Agreement. The obligation of the SCSD and the City under the Installment Sale Agreement to pay base installment purchase payments and installment purchase payments in any fiscal year of the SCSD or the City constitutes a current expense of the SCSD for such fiscal year and shall not constitute an indebtedness or moral obligation of the SCSD, the City or the State within the meaning of any constitutional or statutory provision or other laws of the State. The only source of moneys available for the payment of the principal of and interest on the Series 2021A Bonds are bond proceeds set aside to fund capitalized interest, installment purchase payments made by the SCSD and the City under the Installment Sale Agreement to the extent of State Aid to Education appropriated by the State and available to the SCSD and/or the City and appropriated by the City and the SCSD to make such payments, the pledge of certain funds under the Indenture, and the intercept by the State Comptroller of State Aid to Education payable to the City or the SCSD to the extent of any installment purchase payment deficiency. The Series 2021A Bonds are neither a general obligation of the Issuer, nor a debt or indebtedness of the City or the State and neither the City nor the State shall be liable thereon. The Issuer has no taxing power. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021A BONDS" herein.

The Series 2021A Bonds will be issued in fully registered form registered in the name of Cede & Co., as nominee for The Depository Trust Company ("***DTC***"). See "THE SERIES 2021A BONDS—Registration and Payment — Book-Entry System" herein.

The Series 2021A Bonds will bear interest payable semiannually on May 1 and November 1 of each year commencing May 1, 2021 and are subject to redemption prior to maturity as described herein. See "THE SERIES 2021A BONDS—Redemption of Series 2021A Bonds" herein.

In the opinion of Bousquet Holstein PLLC, Bond Counsel to the Issuer, under existing law and assuming continuing compliance by the Issuer, the SCSD and the City with certain covenants and the accuracy and completeness of certain representations made by the Issuer, the SCSD and the City, interest on the Series 2021A Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals. Bond Counsel is also of the opinion that, under existing statutes, interest on the Series 2021A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "TAX MATTERS" herein.

The Series 2021A Bonds are offered when, as, and if issued and received by the Underwriters subject to the approval of legality by Bond Counsel to the Issuer. Certain legal matters will be passed upon for the Issuer by Corporation Counsel of the City; for the Underwriters by its counsel, Harris Beach PLLC, Syracuse, New York; for the JSCB by its counsel, Trespasz & Marquardt, LLP, Syracuse, New York; for the SCSD and the City by the Corporation Counsel of the City. Capital Markets Advisors, LLC serves as independent financial advisor to the SCSD and the City. It is expected that the Series 2021A Bonds will be available for delivery through the facilities of DTC on or about February 1, 2021.

Raymond James

Academy Securities **Loop Capital Markets**

Dated: January __, 2021

* Preliminary, subject to change

$26,720,000*
City of Syracuse Industrial Development Agency
School Facility Revenue Refunding Bonds
(Syracuse City School District Project) Series 2021A

May 1	Principal*	Coupon	Yield	CUSIP Numbers†
2021	$3,040,000			
2022	5,690,000			
2023	4,945,000			
2024	2,595,000			
2025	2,720,000			
2026	2,855,000			
2027	3,005,000			
2028	1,870,000			

† Copyright, American Bankers Association ("ABA"). CUSIP numbers have been assigned by CUSIP Global Services, which is managed on behalf of the ABA by S&P Global Market Intelligence, a part of S&P Global Inc. The CUSIP numbers listed above are being provided solely for the convenience of bondholders only at the time of issuance of the Bonds and the Issuer and the Underwriters do not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

* Preliminary, subject to change.

No dealer, broker, salesperson or other person has been authorized by the Issuer, the JSCB, the City, the SCSD or the Underwriters to give any information or to make any representations with respect to the Series 2021A Bonds, other than the information and representations contained in this Official Statement. If given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be a sale of the Series 2021A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The Series 2021A Bonds have not been registered under the Securities Act of 1933, as amended, and the Indenture has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. The registration or qualification of the Series 2021A Bonds in accordance with applicable provisions of securities laws of the states in which the Series 2021A Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither these states nor any of their agencies have passed upon the merits of the Series 2021A Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

Certain information in this Official Statement has been supplied by the Issuer, the JSCB, the SCSD, the City, and other sources that the Issuer and the Underwriters believe are reliable. Neither the Issuer nor the Underwriters guarantee the accuracy or completeness of such information, and such information is not to be construed as a representation of the Issuer or the Underwriters. The information and expressions of opinions contained 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 Issuer, the JSCB, the SCSD, or the City since the date hereof.

The Issuer assumes no responsibility as to the accuracy or completeness of the information contained in this Official Statement, other than that appearing under the captions "THE ISSUER" and "NO LITIGATION" (but only with respect to the Issuer), all of which other information has been furnished by others.

The Underwriters have reviewed the information in this Official Statement in accordance with their responsibilities to investors under the securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guaranty the accuracy or completeness of such information.

References in this Official Statement to the Act, the Syracuse Schools Act, the Indenture, the State Aid Depository Agreement, the Installment Sale Agreement, and the License Agreement (each as herein defined) do not purport to be complete. Reference is made to the Act, the Syracuse Schools Act, the Indenture, the State Aid Depository Agreement, the Installment Sale Agreement, and the License Agreement for full and complete details of their respective provisions. Copies of the Indenture, the State Aid Depository Agreement, the Installment Sale Agreement, and the License Agreement, are on file with the Trustee.

The order and placement of material in this Official Statement, including its appendices, are not to be deemed a determination of relevance, materiality or importance, and all material in this Official Statement, including the appendices, must be considered in its entirety.

The contents of this Official Statement are not to be construed as legal, business or tax advice. Prospective investors should consult their own attorneys and business and tax advisors as to legal, business

and tax advice. In making an investment decision, prospective investors must rely on their own examination of the terms of the offering of the Series 2021A Bonds, including the merits and risks involved. This Official Statement is not to be construed as a contract or agreement between the Issuer and the purchasers or holders of any Series 2021A Bonds.

This Official Statement contains forecasts, projections and estimates that are based on expectations and assumptions which existed at the time such forecasts, projections and estimates were prepared. In light of the important factors that may materially affect economic conditions in the State and the SCSD and the amount of State Aid to Education paid to the SCSD or the City, the inclusion in this Official Statement of such forecasts, projections and estimates should not be regarded as a representation by the Issuer, the Underwriters or the SCSD that such forecasts, projections and estimates will occur. Such forecasts, projections and estimates are not intended as representations of fact or guarantees of results.

If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates" and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the SCSD. These forward-looking statements speak only as of the date of this Official Statement. The Issuer, the Underwriters and the SCSD disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the SCSD's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2021A BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2021A BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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$26,720,000*
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
SCHOOL FACILITY REVENUE REFUNDING BONDS
(SYRACUSE CITY SCHOOL DISTRICT PROJECT) SERIES 2021A

INTRODUCTION

General

This Official Statement sets forth certain information concerning the issuance and sale by the City of Syracuse Industrial Development Agency (the "***Issuer***") of $26,720,000* School Facility Revenue Refunding Bonds (Syracuse City School District Project) Series 2021A (the "***Series 2021A Bonds***"). The Series 2021A Bonds will be secured by and issued pursuant to an Indenture of Trust (Series 2021A Project) dated as of February 1, 2021 (the "***Indenture***" or the "***Series 2021A Indenture***") between the Issuer and Manufacturers and Traders Trust Company, as Trustee (the "***Trustee***").

Certain capitalized terms used in this Official Statement which are not defined herein shall have the meanings assigned to them in APPENDIX B - "Summary of Definitions" attached hereto.

Impact of the Novel Coronavirus Pandemic

The coronavirus pandemic has had, and is expected to continue to have, negative effects on the City, its economy and the SCSD, including on the projected State Aid to Education. The most recent projections of State Aid to Education are reflected in this Official Statement. However, the ultimate impact of the pandemic on State Aid to Education cannot be determined at this time and no assurance can be provided that the economic disruptions caused by the pandemic will not result in State Aid to Education being lower than projected herein.

The SCSD believes that it would mitigate the impact of any delays or the reduction in State Aid to Education by reducing expenditures, increasing revenues, appropriating other available funds on hand, and/or by any combination of the foregoing. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021A BONDS – State Aid to Education" and "BONDHOLDERS' RISKS – Impact of the Novel Coronavirus Pandemic."

Authorization

The Series 2021A Bonds will be issued pursuant to the Issuer's enabling legislation constituting Title I of Article 18-A of the General Municipal Law of the State of New York (the "***State***") (enacted into law as Chapter 1030 of the Laws of 1969 of the State), and Title II of Article 18-A § 926 of the General Municipal Law of the State enacted into law as Chapter 641 of the Laws of 1979 of the State (collectively, the "***Act***"); and Chapter 58 Part A-4 of the Laws of 2006, as amended from time to time (the "***Syracuse Schools Act***"); and the resolution of the Issuer adopted on December 16, 2020.

The Syracuse Schools Act was enacted and became legally effective April 1, 2006, authorizing a multi-year comprehensive redevelopment program of the SCSD's public schools ("the ***Program***"). The Program was adopted by the JSCB on February 28, 2008, amended on April 17, 2009 and approved by the Office of the State Comptroller on June 24, 2009 in accordance with §6 of the Syracuse Schools Act. The Syracuse Schools Act was enacted to encourage the City and the SCSD to cooperatively undertake new and innovative ways of renovating, rehabilitating, constructing and financing public schools within the City.

* Preliminary, subject to change.

Phase I of the Program authorized the acquisition, renovation, reconstruction, improvement, equipping, and furnishing of certain public school buildings of the SCSD, at a cost not to exceed $225 million (the "***Phase I Project***"). The Phase I Project is complete.

State legislation authorizing Phase II of the Program at a cost not to exceed $300 million was enacted on October 25, 2013 and subsequently amended on March 17, 2014 to specify fifteen (15) additional school buildings to be included in Phase II of the Program (the "***Phase II Project***"). Such legislation also authorized the City to provide interim financing for project costs from the proceeds of City obligations issued in anticipation of permanent financing from any source provided under the Syracuse Schools Act, and the reimbursement to the City for the payment of such obligations from any such source (including permanent financing issued through the Issuer for such purpose).

Purpose

The proceeds of the Series 2021A Bonds will be applied for the purpose of (i) refunding all of the outstanding Syracuse Industrial Development Agency School Facility Revenue Bonds (Syracuse City School District Project) Series 2010 (the "Series 2010 Bonds" or the "Series 2010 Refunded Bonds") of which $17,380,000 principal amount is currently outstanding; (ii) refunding all of the outstanding Syracuse Industrial Development Agency School Facility Revenue Bonds (Syracuse City School District Project) Series 2011A (the "Series 2011A Bonds" or the "Series 2011A Refunded Bonds" and together with the Series 2010 Refunded Bonds, collectively, the "Refunded Bonds") of which $11,855,000 principal amount is currently outstanding; and (ii) financing certain costs of issuance of the Series 2021A Bonds and paying the redemption costs of the Series 2010 Refunded Bonds and Series 2011A Refunded Bonds. The Series 2010 Refunded Bonds were originally issued pursuant to the Indenture of Trust (Series 2010 Project), dated as of December 1, 2010 (the "Series 2010 Indenture"), between the Issuer and Manufacturers and Traders Trust Company, as trustee under the Series 2010 Indenture. The Series 2011A Refunded Bonds were originally issued pursuant to the Indenture of Trust (Series 2011A Project), dated as of July 1, 2011 (the "Series 2011A Indenture"), between the Issuer and Manufacturers and Traders Trust Company, as trustee under the Series 2011A Indenture.

To assist investors with complying with Federal Home Loan Bank collateral regulations, the Issuer presently contemplates that approximately 100% of the net proceeds of the Series 2021A Bonds will be used to finance or refinance the acquisition, development, and/or improvement of real property.

The Program

Prior to the commencement of the Program, the facilities of the SCSD had not been updated or improved in a number of years. The Syracuse Schools Act authorized the City and SCSD to create the JSCB and authorized the JSCB to manage the design, reconstruction, and financing of the rehabilitation of existing public school facilities in the City, and to coordinate efforts for compliance with, the monitoring of, and the reporting on, a Program-wide diversity plan.

The JSCB retained the Gilbane Building Company, a privately held family run construction company founded in 1873 in Providence, Rhode Island, to be the independent program/construction management firm for Phase I of the Program ("***Phase I Program Manager***"), and to assist in the management of Phase I of the Program under the supervision of the City Engineer. The Issuer previously issued $156,820,000 principal amount of Project Bonds (as defined herein) to finance or refinance the costs of the Phase I Project as follows:

Date of Issue	Name of Issue
March 26, 2008	$49,230,000 School Facility Revenue Bonds (Syracuse City School District Project) Series 2008A
December 23, 2010	$31,470,000 School Facility Revenue Bonds (Syracuse City School District Project) Series 2010
July 12, 2011	$31,860,000 School Facility Revenue Bonds (Tax Exempt Bonds) (Syracuse City School District Project) Series 2011A
	$15,000,000 School Facility Revenue Bonds (Federally Taxable Qualified School Construction Bonds) (Syracuse City School District Project) Series 2011B
April 20, 2017	$29,260,000 School Facility Revenue Refunding Bonds (Syracuse City School District Project) Series 2017

The JSCB selected Turner Construction Company ("***Phase II Program Manager***" and together with the Phase I Program Manager, collectively, the "***Program Managers***") as the Program Manager for Phase II of the Program on August 28, 2015. The Issuer has previously issued $251,730,000 principal amount of Project Bonds to finance a portion of the Phase II Project as follows:

Date of Issue	Name of Issue
March 15, 2018	$67,265,000 aggregate principal amount of its School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A
June 20, 2018	$38,500,000 aggregate principal amount of its School Facility Revenue Bonds (Syracuse City School District Project) Series 2018B
April 11, 2019	$65,435,000 aggregate principal amount of its School Facility Revenue Bonds (Syracuse City School District Project) Series 2019A
March 3, 2020	$80,530,000 aggregate principal amount of its School Facility Revenue Bonds (Syracuse City School District Project) Series 2020A

It is anticipated that funds required to complete future phases of the Program will be derived, in part, through the issuance and sale from time to time of other series of bonds, which together with the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds, the Series 2018A Bonds, the Series 2018B Bonds, the Series 2019A, the Series 2020A Bonds, and the Series 2021A Bonds are collectively referred to hereinafter as ("***Project Bonds***") issued by the Issuer or other authorized issuer pursuant to separate or supplemental indentures of trust and bond resolutions (each, including the Indenture, being a "***Series Indenture***," and the trustee under each Series Indenture, including the Trustee, being a "***Series Trustee***"). It is further anticipated that the additional facilities to be financed from future series of Project Bonds will be made subject to a separate or amended license agreement or ground lease and a separate or amended lease agreement or a separate or amended installment sale agreement or similar instrument (each such separate lease agreement or installment sale agreement, including the Installment Sale Agreement, being a "***Series Facilities Agreement***").

Structure

Pursuant to the License Agreement, dated as of March 1, 2008, between the City and the SCSD, as licensor, and the Issuer, as licensee (the "***Original License Agreement***"), which was previously amended seven times, each amendment corresponding to an issuance of bonds to be used for the betterment of existing school buildings within SCSD between 2010 and 2020, and the current amendment being the Eighth Amendatory License Agreement dated as of February 1, 2021 (the "***Eighth Amendatory License Agreement***" and together with the Original License Agreement and the seven prior amendments, collectively, the "***License Agreement***"), each among the Issuer, City and the SCSD, the City and the SCSD licensed to the Issuer certain existing school buildings within the SCSD and, pursuant to one or more bills of sale, conveyed title to the equipment to the Issuer (individually, each a Series [year] Facilities and collectively, the "***Series 2008-2021A Facilities***"). The Eighth Amendatory License Agreement will be entered into concurrently with the issuance of the Series 2021A Bonds and will have a term ending upon the later of completion of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project, the Series 2018A Project, the Series 2018B Project, Series 2019A Project, Series 2020A Project or the Series 2021A Project. Concurrently therewith, the Issuer will sell and assign its license interest under the License Agreement and a bill of sale in the Series 2021A Facilities to the SCSD and the City pursuant to the Installment Sale Agreement. Installment Purchase Payments due from the SCSD and the City under the Installment Sale Agreement related to the Series 2021A Bonds, will equal principal and interest due on the Series 2021A Bonds, including the mandatory principal payments. Pursuant to §14(a) of the Syracuse Schools Act, the Board of Education for the SCSD shall be responsible for the maintenance and operation of the Series 2008-2021A Facilities.

Pursuant to the Indenture, the Issuer will issue the Series 2021A Bonds for the benefit of the JSCB, to refund the Refunded Bonds, and reserves the right, upon request of the JSCB, to issue one or more Series of Additional Bonds under the Indenture. To accomplish the refunding, substantially all of the proceeds from the sale of the Series 2021A Bonds will be deposited into one or more separate special trust fund(s) created under that certain Refunding Escrow Trust Agreement dated as of February 1, 2021 entered into among the Issuer, the SCSD and Manufacturers and Traders Trust Company, as Escrow Agent providing for the defeasance of the Refunded Bonds (the "***Refunding Escrow Trust Agreement***"). See "PLAN OF FINANCING."

Security

Principal of and interest on the Series 2021A Bonds will be secured by: (i) Installment Purchase Payments made by the SCSD and the City under the Installment Sale Agreement; and (ii) the pledge of certain funds, including the Bond Fund under the Indenture. In the event the SCSD or the City fails to make an Installment Purchase Payment under the Installment Sale Agreement, the Syracuse Schools Act and the Indenture provide that, upon receipt by the New York State Comptroller (the "***State Comptroller***") of a certificate from the Trustee on behalf of the Issuer as to the amount of such failed payment, the State Comptroller shall withhold from the SCSD and the City any State Aid to Education payable to the City or the SCSD to the extent of the amount so stated in such certificate as not having been made, and shall immediately pay over to the Trustee on behalf of the Issuer the amount so withheld. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021A BONDS—State Aid Intercept" and "State Aid to Education." The Syracuse Schools Act further provides that (x) any amount of State Aid to Education so paid by the State Comptroller shall not obligate the State to make, nor entitle the SCSD or the City to receive, any additional amounts of state and/or school aid, (y) nothing contained in the Syracuse Schools Act shall be deemed to prevent the State from modifying, reducing or eliminating any program or programs of state and/or school aid, and (z) the State shall not be obligated by the terms of the Syracuse Schools Act to maintain state and/or school aid at any particular level or amount.

The obligations of the SCSD and the City to pay Installment Purchase Payments under the Installment Sale Agreement are deemed executory only to the extent of State Aid to Education appropriated by the New York State Legislature (the "***State Legislature***") and available to the SCSD and/or the City and appropriated by the City and approved by the SCSD for the payment of Installment Purchase Payments under the Installment Sale Agreement, and no liability on account thereof shall be incurred by the SCSD or the City beyond the amount of such State Aid to Education so available and appropriated; *provided, however*, that the failure of the SCSD and the City, for any reason (including a failure by the SCSD to budget and appropriate funds for Installment Purchase Payments, a failure by the City to approve a budget and appropriate funds providing for Installment Purchase Payments or a failure by the State to appropriate State Aid to Education) to make an Installment Purchase Payment under the Installment Sale Agreement is deemed a failure to make a payment thereunder for purposes of the state and/or school aid intercept implementing provisions of the Syracuse Schools Act and the intercept provisions of the Indenture. Payment of State Aid to Education to the SCSD and/or the City is subject to annual appropriation by the State Legislature. Except to the extent limited as provided above, the obligation of the SCSD and the City to pay Installment Purchase Payments under the Installment Sale Agreement and to perform their obligations thereunder shall be absolute and unconditional; and such Installment Purchase Payments and other amounts shall be payable without any rights of set-off, or recoupment or counterclaim or deduction and without any right of suspension, deferment, diminution or reduction they might otherwise have against the Issuer, the Trustee, any purchaser of any Series 2021A Bond or any other person and whether or not any or all of the facilities financed with the proceeds of the Series 2021A Bonds are used or occupied by the City, the JSCB or the SCSD or available for use or occupancy by the City, the JSCB or the SCSD. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021A BONDS," "BONDHOLDERS' RISKS - Additional Series of Project Bonds or Series of Additional Bonds" and APPENDIX D — "Summary of Certain Provisions of the Installment Sale Agreement."

The SCSD, the City and Manufacturers and Traders Trust Company, as depository bank (the "***Depository***"), have entered into a State Aid Depository Agreement, dated as of March 1, 2008 (the "***Depository Agreement***"), as previously amended by the First Amendment to State Aid Depository Agreement, dated as of December 1, 2010 (the "***First Amendment to State Aid Depository Agreement***" and together with the Depository Agreement, collectively, the "***State Aid Depository Agreement***"). In accordance with the State Aid Depository Agreement, the Commissioner of Finance of the City (the "***Commissioner of Finance***") and the President of the Board of Education of the SCSD have instructed the State Comptroller to pay all State Aid to Education directly to a designated fund (the "***State Aid Depository Fund***") held with the Depository. Provided the City and the SCSD have made an appropriation for the payment of Installment Purchase Payments under the Installment Sale Agreement, amounts in the State Aid Depository Fund will be transferred periodically to the Trustee for deposit in the Bond Fund established under the Indenture (and to each equivalent fund under each other Series Indenture), on a Ratable Basis, toward the payment of the Series 2021A Bonds and other series of Project Bonds outstanding under each other Series Indenture, and any balance remaining will be transferred to the SCSD. Amounts in the State Aid Depository Fund will be transferred by the Depository to the Bond Fund periodically on a Ratable Basis from each December 1 until each March 31 of each Fiscal Year (the "***Collection Period***") and will be credited against the obligation of the SCSD and the City to pay annual Installment Purchase Payments under the Installment Sale Agreement due on April 1 of each year. Although the State Aid Depository Agreement requires an immediate transfer of State Aid to Education from the State Aid Depository Fund to the Bond Fund during the Collection Period, amounts held in the State Aid Depository Fund are not subject to the lien of the Indenture and are not pledged as security for the payment of the Series 2021A Bonds until such amounts have been transferred by the Depository to the Trustee and deposited in the Bond Fund under the Indenture.

Notwithstanding the April 1 Installment Purchase Payment Date and Base Installment Purchase Payment Date under the Installment Sale Agreement, said agreement provides that if the SCSD fails to

appropriate by November 1, (or by any subsequent November 1 that the Series 2021A Bonds remain Outstanding) State Aid Revenues in an amount sufficient to pay the Installment Purchase Payment and Base Installment Purchase Payments due on the immediately succeeding April 1 (less any amounts on deposit in the Bond Fund and available on such November 1), then: (y) the SCSD shall promptly deliver written notice of such failure to appropriate to the Issuer and the Trustee, and (z) the next succeeding April 1 payment date for the annual Installment Purchase Payment Date and Base Installment Purchase Payment Date shall instead be the November 15 immediately preceding such April 1 payment date as if that November 15 were the originally scheduled annual Installment Purchase Payment Date; and if for any reason the Installment Purchase Payment and Base Installment Purchase Payments due on such November 15 are not made by such date, any such failed payment shall constitute a failure to make a payment under the Installment Sale Agreement for purposes of the Installment Sale Agreement, the Syracuse Schools Act and the State Aid intercept implementing provisions of the Indenture.

The State's 2020-21 enacted budget links payment of school aid increases for 2020-21 to submission of Budget Transparency Reporting. The amount of total State Aid to Education budgeted to be received by the SCSD in fiscal year ending June 30, 2021 is $356.6 million, which is a decrease of $5.8 million, or 1.6%, compared to the amount budgeted for the 2019-20 fiscal year. In December 2020, New York State Department of Education approved the Syracuse City School District Budget Transparency Report, therefore the current year state aid increase payment will not be delayed or withheld. The maximum annual Installment Purchase Payment with respect to all outstanding Project Bonds, including the Series 2021A Bonds is approximately $_____.

During the Collection Period from December 1 until March 31 of each of the following fiscal years of the SCSD year, the SCSD received State Aid to Education in the following amounts:

COLLECTION PERIOD RECEIPTS
(in millions)

Fiscal Year

	2014-15[1]	**2015-16**[1]	**2016-17**[1]	**2017-18**[1]	**2018-19**[1]	**2019-20**[1]	**2020-21**[1]
December	$ 14.377	$ 14.813	$ 19.751	$ 24.726	$ 29.100	$ 30.283	$31.296
January	38.455	23.199	53.972	62.589	67.894	63.828	N/A
February	23.297	26.772	25.502	26.580	26.810	28.709	N/A
March	73.861	85.303	83.048	85.605	85.825	91.021	N/A
Total	$149.991	$150.087	$182.273	$199.500	$209.62	$213.84	$

(1) Unaudited.

Source: SCSD Officials

No assurance can be given that the foregoing amounts of State Aid to Education will continue or will be appropriated by the State in such amounts in future fiscal years. See "PROGRAM PARTICIPANTS - The SCSD and Board of Education," "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021A BONDS" and "BONDHOLDERS' RISKS — Competing Claims to State Aid," and APPENDIX A — "Certain Financial Information and Audited Financial Statements of the City School District of the City of Syracuse."

The State is not legally obligated to pay State Aid to Education to the SCSD or the City. The amount of State Aid to Education paid to the SCSD is dependent, in part, upon the financial condition of the State. See "BONDHOLDERS' RISKS - The State's Financial Condition, Reduced State Aid, Delayed Payment."

Pursuant to the Indenture and the Pledge and Assignment, the Issuer has assigned to the Trustee substantially all of its rights under the Installment Sale Agreement with respect to the Series 2021A Bonds, including the right to receive and collect the Installment Purchase Payments with respect to the Series 2021A Bonds (other than moneys payable for the Issuer's Reserved Rights) payable by the SCSD and the City thereunder. Pursuant to the Indenture and the Pledge and Assignment, the Issuer has also pledged and assigned to the Trustee for the benefit of the holders of the Series 2021A Bonds, substantially all of its right, title and interest in and to State Aid to Education and the funds, monies or securities held under the Indenture (other than amounts set aside and transferred to the Rebate Fund), including amounts held in the Bond Fund.

THE SERIES 2021A BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM STATE AID TO EDUCATION PAYABLE BY THE SCSD AND THE CITY UNDER THE INSTALLMENT SALE AGREEMENT AND THE PLEDGE OF CERTAIN FUNDS INCLUDING THE BOND FUND UNDER THE INDENTURE. IN THE EVENT THE SCSD OR THE CITY FAILS TO MAKE AN INSTALLMENT PURCHASE PAYMENT UNDER THE INSTALLMENT SALE AGREEMENT, THE SYRACUSE SCHOOLS ACT AND THE INDENTURE PROVIDE THAT, UPON RECEIPT BY THE STATE COMPTROLLER OF A CERTIFICATE FROM THE TRUSTEE ON BEHALF OF THE ISSUER AS TO THE AMOUNT OF SUCH FAILED PAYMENT, THE STATE COMPTROLLER SHALL WITHHOLD ANY STATE AID TO EDUCATION FROM THE SCSD AND THE CITY PAYABLE THERETO TO THE EXTENT OF THE AMOUNT SO STATED IN SUCH CERTIFICATE AS NOT HAVING BEEN MADE, AND SHALL IMMEDIATELY PAY OVER TO THE TRUSTEE ON BEHALF OF THE ISSUER THE AMOUNT SO WITHHELD. THE OBLIGATION OF THE SCSD AND THE CITY UNDER THE INSTALLMENT SALE AGREEMENT TO PAY INSTALLMENT PURCHASE PAYMENTS IS NOT A GENERAL OBLIGATION OF THE SCSD OR THE CITY AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWERS OF THE CITY IS PLEDGED TO THE PAYMENT OF INSTALLMENT PURCHASE PAYMENTS UNDER THE INSTALLMENT SALE AGREEMENT. THE OBLIGATIONS OF THE SCSD AND THE CITY UNDER THE INSTALLMENT SALE AGREEMENT TO PAY INSTALLMENT PURCHASE PAYMENTS IN ANY FISCAL YEAR OF THE SCSD OR THE CITY CONSTITUTE A CURRENT EXPENSE OF THE SCSD FOR SUCH FISCAL YEAR AND SHALL NOT CONSTITUTE AN INDEBTEDNESS OR MORAL OBLIGATION OF THE SCSD, THE CITY OR THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR OTHER LAWS OF THE STATE. THE ONLY SOURCES OF MONEYS AVAILABLE FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2021A BONDS ARE BOND PROCEEDS SET ASIDE TO FUND CAPITALIZED INTEREST, INSTALLMENT PURCHASE PAYMENTS MADE BY THE SCSD AND THE CITY UNDER THE INSTALLMENT SALE AGREEMENT TO THE EXTENT OF STATE AID TO EDUCATION APPROPRIATED BY THE STATE AND AVAILABLE TO THE SCSD AND/OR THE CITY AND APPROPRIATED BY THE CITY AND THE SCSD TO MAKE SUCH PAYMENTS, THE PLEDGE OF CERTAIN FUNDS UNDER THE INDENTURE, AND THE INTERCEPT BY THE STATE COMPTROLLER OF STATE AID TO EDUCATION PAYABLE TO THE CITY OR THE SCSD TO THE EXTENT OF ANY INSTALLMENT PURCHASE PAYMENT DEFICIENCY.

Brief descriptions of the Issuer, the Series 2021A Bonds, the security for the Series 2021A Bonds, the Program, the refunding of the Refunded Bonds, the City, the SCSD, the JSCB, and the Phase II Program Manager are set forth below or in the Appendices hereto. Summaries of certain financing documents are set forth below or in the Appendices hereto. Such summaries do not purport to be complete or definitive, each such summary is qualified in its entirety by reference to each such document for a complete description

of all of the terms and provisions thereof, copies of which are on file with and are available at the offices of the Trustee, and no part of such summaries are to be construed as a representation or a guarantee of the accuracy or completeness by the Issuer other than the information under the captions "THE ISSUER" and "NO LITIGATION" (but only with respect to the Issuer) therein.

The Form of Opinion of Bond Counsel for the Series 2021A Bonds is set forth in Appendix E hereto. The Form of Continuing Disclosure Agreement with respect to the Series 2021A Bonds is set forth in Appendix F hereto.

THE PROGRAM

Authorization

The total cost to complete all Phases of the Program (I-IV) is currently estimated to be approximately $1.2 billion. To date, approximately $324.8 million has been spent on the Program. The JSCB has completed and closed out Phase I of the Program. The Series 2020A Bonds were the fourth series of Project Bonds to be issued to finance the costs of Phase II of the Program. It is anticipated that subsequent phases of the Program will be funded by the issuance of one or more series of Project Bonds under separate Series Indentures. Phases III and IV will be subject to future authorization by the State Legislature.

The Program has been developed by the JSCB, pursuant to the Syracuse Schools Act and an April 1, 2004 intermunicipal agreement between the City and the SCSD as amended, and encompasses a multi-phase comprehensive redevelopment program for the reconstruction of existing public schools for the SCSD. There have been no new public schools built in the City during the past 30 years, and prior to Phase I of the Program many elementary and secondary schools in the City were in extremely poor physical condition. The Syracuse Schools Act was enacted to encourage the City and the SCSD to cooperatively undertake new and innovative ways of renovating, rehabilitating and financing existing public schools within the City. The Syracuse Schools Act authorized Phase I of the Program for various schools at a cost not to exceed $225,000,000. The JSCB determined that a finance plan consisting of approximately $151,000,000 of project funds for Phase I was sufficient for the Phase I Projects. Phase I included extensive renovations to four SCSD school buildings (Central Tech, Fowler, HW Smith and Dr. Weeks), and minor renovations at two other SCSD buildings (Clary and Bellevue Academy at Shea). The JSCB has closed all Phase I projects.

All schools in the Phase II Project are approved by the Commissioner of SED and include the following: Bellevue Elementary, Ed Smith Pre-K-8, Frazer Pre-K-8, Grant Middle School, Huntington Pre-K-8, Public Service Leadership Academy at Fowler, Syracuse STEM at Blodgett (formerly West Side Adacemy at Blodgett), Clary Middle School, Corcoran High School, Brighton Academy Middle School (formerly Danforth Middle School), Expeditionary Learning Middle School, Henninger High School and Nottingham High School. Shea Middle School and the vacant Greystone Building were removed from the Program due to budget constraints.

The total estimated project cost of the Phase II Project is $300,000,000 of which $295.5 million has been funded by the issuance of four series of Project Bonds in 2018 through 2020.

PROGRAM PARTICIPANTS

The City

The City is a municipal corporation and the fifth largest city in the State. The City encompasses a land area of 26 square miles in the north central portion of the State near Lake Ontario. According to 2016

interim data released by the U.S. Census Bureau, the City's population is 144,350 (a decline of 820 persons since the 2010 census).

The City, which was incorporated in 1848, operates under a Charter adopted in 1960 (the "***Charter***"). In accordance with its Charter, the City has a strong mayor-council form of government. The mayor, as chief executive officer (the "***Mayor"***), is the head of the executive department and oversees all administrative functions. The Common Council performs all legislative duties.

The City is responsible for and provides police, fire, sanitation, street maintenance, parks and recreation, and property assessment services. Air transportation is available at the Hancock International Airport, which is owned by the City and operated by the Syracuse Regional Airport Authority. The City operates a water system and is responsible for sewage collection. The County of Onondaga (the "***County***") provides sewage treatment. The City supports the cost of primary and secondary education expenditures, however, the SCSD is governed by an independently elected Board of Education whose members oversee the administration of the City's school system.

The Mayor is elected at a general election to serve a four-year term and may succeed himself / herself for one additional term. The current Mayor was elected in November 2017, and began his first four-year term on January 1, 2018. According to the City Charter, the Mayor is the chief executive officer of the City and appoints all department heads (except the City Auditor, who is elected) to serve at his or her pleasure. The Mayor is responsible for the day-to-day operations of the City government. The Common Council may override a mayoral veto subject to the terms and conditions specified in the Charter.

The Common Council is the legislative body of the City and consists of a Council President, four members elected at-large to serve four-year terms and five district members elected to serve two-year terms. It is the responsibility of the Common Council to approve all legislation, including ordinances and local laws, adopt and modify as required the City's operating and capital budgets, levy real property taxes and authorize the issuance of all indebtedness.

The SCSD and Board of Education

The SCSD is governed by an independently elected seven-member Board of Education. Members are elected at-large to serve four-year terms; there is no restriction on the number of terms that may be served. The Board of Education is responsible for managing the school system in accordance with the provisions of the State Education Law. The Board of Education appoints a Superintendent of Schools to administer policy and supervise the day-to-day activities of the SCSD. The SCSD prepares its own financial statements, which are audited separately from the financial statements of the City. However, the City includes certain of the SCSD's statements in its financial statements. Currently, the City and the SCSD utilize the same independent auditors.

The SCSD is dependent upon the City for taxation and debt issuance. See "BONDHOLDERS' RISKS" herein. However, the SCSD receives significant portions of its operating budget from the State, the federal government and local sales tax collections. The Common Council of the City approves the budget of the SCSD but does not otherwise control the budget of the SCSD. According to the SED 2018-19 School Report Card of the SCSD, student enrollment was 19,668 in grades K-12, which included ungraded elementary and ungraded secondary enrollments. In addition, the SED reported 1,910 students were enrolled in the SCSD's half and full day Pre-Kindergarten program for 2018-19. The SCSD operates 42 buildings, including 34 school buildings, and currently employs approximately 4,761 persons in full and part-time capacities, with 3,915 of these individuals represented through a collective bargaining unit. The following table sets forth certain actual and projected statistics relating to the school system.

SCSD SYSTEM
Fiscal Years June 30:

	2016	2017	2018	2019	2020	2021
Number of Schools	35	35	34	34	34	34
Student Enrollment[1]	19,951	19,543	19,668	21,273	18,995	18,398[5]
Instructional Staff[2][3]	2,313.41	2,337.75	2,365.30	2,435.64	2,582.24	2,589.73
Administrative Personnel [3]	154.74	158.60	159.60	161.60	162.75	161.30
Non-Certified Personnel [3][4]	552.65	558.65	567.90	597.10	614.25	609.75

Source: SCSD Chief Financial Officer and the SED Student Information Repository System.

(1) Includes enrollment in grades K-12 (including ungraded elementary and ungraded secondary schools). Excludes pre-K enrollment.
(2) Full-time equivalent: Instructional staff includes: teachers, teaching assistants, pupil services, adult education and instructional support staff.
(3) Full-time equivalent: Paid from the SCSD General Fund, excludes personnel paid from federal grants or food service.
(4) Full-time equivalent: Includes clerical, custodial, transportation, maintenance, instructional aides, exempt personnel and other full-time non-certified personnel.
(5) District's preliminary enrollment for 2021 as actual enrollment is not yet available through the SED Student Information Repository System

Charter Schools

School districts in the State are required to pay a State-set tuition rate to charter schools that enroll students residing in the City. The exact amount payable for each pupil equals the product of the approved operating expense per pupil and the full-time-equivalent enrollment of the students in the charter school.

There are currently four charter schools operating in the City. Enrollments at these schools increased from 2,040 students in the 2019-20 school year to 2,186 (projected) in the 2020-21 school year. According to SCSD officials, in 2020-21 charter school tuition is $13,158 per student for regular education, $6,961 per student for 20% special education, and $12,763 per student for 60% special education, for a projected total of approximately $30.1 million. In the 2019-20 school year, the amount of charter school tuition was $13,518 per student for regular education, $6,961 per student for 20% special education, and $12,763 per student for 60% special education, for a total of $28.7 million. Increases are due to increases in expected charter school enrollment.

The JSCB

The JSCB was authorized by the Syracuse Schools Act, established pursuant to an intermunicipal agreement between the City and the SCSD, and is authorized to assist in the acquisition, design, reconstruction, renovation, rehabilitation, improvement, equipping and furnishing of public schools in the City which is commonly referred to as the Program. The JSCB has completed Phase I of the Program and is currently undertaking Phase II. Phases III-IV of the Program are contingent upon State authorization (See "The Program" herein).

The JSCB is comprised of seven board members, consisting of the Mayor, the superintendent of the SCSD, three additional members appointed by the Mayor, and two additional members appointed by the superintendent of the SCSD.

The Program Manager

Pursuant to the provisions of the Syracuse Schools Act, the JSCB selected the Program Managers to implement the first two phases of the Program under the supervision of the City Engineer. The Program Managers each separately entered into an agreement with the JSCB and are obligated and required to provide construction consulting and oversight services for the JSCB with respect to all stages of predevelopment, development, construction and reconstruction with regard to Phase I and Phase II of the Program, respectively. Specifically, the Program Managers have the duty to manage and oversee all aspects

of all projects undertaken pursuant to the Syracuse Schools Act and subject to their respective agreements to: (1) develop and implement procedures for projects undertaken and contracted for by the JSCB; (2) review plans and specifications for such projects; (3) develop project budgets; (4) create a training program to ensure a supply of skilled labor for the Program phase; and (5) execute and manage a project labor agreement if required by the JSCB.

New York State Education Department

The management, regulation and funding of the SCSD is subject to the review of the New York State Education Department (the "***SED***"). The SED also determines State Building Aid (as defined herein) reimbursement for improvements to school facilities undertaken in accordance with the Program (See "SECURITY AND SOURCES OF PAYMENTS FOR THE SERIES 2021A BONDS – State Aid to Education – *State Building Aid*" herein). The SED is the administrative agency of the Board of Regents (the "***Board of Regents***") of the University of the State of New York (the "***University***"). The Board of Regents was established by an act of the State Legislature in 1784 and is vested with constitutional responsibility for determining and formulating State educational policy. The University, over which the Board of Regents presides, is a corporation authorized to charter, review and regulate educational institutions and activities within the State. The University encompasses all State educational programs, from kindergarten through graduate and professional schools and includes libraries, museums and other related cultural and educational institutions as may be admitted to the University or incorporated by the Board of Regents. It consists of almost 6,000 elementary and secondary public and private schools and 250 independent and public colleges and universities.

DISCUSSION OF FINANCIAL OPERATIONS OF THE CITY AND THE SCSD

Budget Procedures and Plans

The Director of the Office of Management and Budget (the "Budget Director") has the primary responsibility for preparing the City's annual operating budget, supervising the execution of the operating budget and reporting budgetary variances to the Mayor. The SCSD proposes a separate budget that is approved by the Board of Education after a public hearing. Thereafter, the SCSD's budget is transmitted to the City's Budget Director for inclusion in the Citywide budget.

CERTAIN FINANCIAL INFORMATION FOR THE SCSD FOR THE FISCAL YEAR ENDED JUNE 30, 2020 IS PRESENTED IN APPENDIX A HERETO. A SUMMARY OF THE SCSD'S FINANCIAL RESULTS FOR THE YEAR ENDING JUNE 30, 2020 AND DISCUSSIONS OF THE 2020-21 BUDGET ARE PRESENTED HEREIN BELOW.

Accounting and Financial Reporting

In accordance with the State Education Law, the accounts of the SCSD are maintained independently of the City. The SCSD is responsible for managing, controlling and accounting for its own budget appropriations approved by the City's Common Council. The SCSD prepares and issues separately audited financial statements which statements are also included in the financial statements of the City. The City levies and collects real property taxes for general City and the SCSD purposes and remits to the SCSD its share of collections. The SCSD receives 100% of its annual tax levy by October 31 of the fiscal year following the year of levy.

The City accounts for the SCSD as a blended component unit in its financial statements. The SCSD is accounted for in this manner because the SCSD is not a separate legal entity and does not have the power to levy taxes or issue bonds. The SCSD's budget is subject to approval by the City Common Council. The

City is financially accountable for the SCSD and funds any operating deficits of the SCSD. The SCSD is included in the basic financial statements as a special revenue fund in the fund financial statements of the City. Financial Statements of SCSD are presented in a discrete (*i.e.,* separate) column in the City's Annual Financial Statements, when issued, in accordance with the Governmental Accounting Standards Board, Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statement No. 14 and No. 34*. In the government-wide statements of the City, the SCSD is included in the governmental activities.

SCSD General Fund Results of Operations – Year Ended June 30, 2020

The audited financial statements of the SCSD show that the general fund had an operating surplus of $12,301,189 for the year ended June 30, 2020. Total fund balance of the general fund at June 30, 2020 was $74,348,572 including $44,072,356 in unassigned funds, $25,201,882 in assigned funds, $3,096,470 in restricted funds, and $1,977,864 in non-spendable funds. The SCSD's 2020-21 amended budget includes the use of fund balance in the amount of $17,623,743.

Total revenue for the general fund for fiscal year 2019-20 was $434,688,682, excluding other financing sources. Real property taxes and State Aid to Education (excluding $5,423,054.26 in STAR revenue) for the year were $61,161,816 and $362,104,702, respectively. Other financing sources for the year were $4,781,499. Overall, total revenue and other financing sources showed a positive budgetary variance of $893,938 for 2019-20. Positive budgetary variances were reported in the following revenue categories: general property taxes (+$353,983), nonproperty taxes (+139,027), charges for services (+$101,420), sale of property and compensation for loss (+$1,285,901), and operating transfers in (+$136,108). Negative budgetary variances were reported in the following revenue categories: use of money and property (-$170,591), miscellaneous (-$512,770), State and local sources (-$237,802), federal sources (-$96,729), and premium on issuance of revenue anticipation notes (-$104,609).

General fund expenditures including encumbrances were $419,058,739 for the year ended June 30, 2020. In addition, $15,679,392 in operating transfers out were reported as other financing uses. Total expenditures, including encumbrances and other financing uses, were $20,274,874 less than the budget of the SCSD general fund for fiscal year 2019-20 including the appropriation of $7,569,139 for the prior year's encumbrances.

The sum of the budgetary variances for revenue and other financing sources (+$893,938), and expenditures and other financing uses (+$20,274,874), the effects of encumbrance adjustments (+$7,569,139), and the appropriation of the fund balance (-$16,436,762), results in the reported operating surplus of $12,301,189. (See page 56 of the audited financial statements for the fiscal year ended June 30, 2020 attached hereto as Appendix A).

Anticipated SCSD General Fund Results of Operations – Year Ended June 30, 2021

SCSD officials expect that the SCSD General Fund will conclude the fiscal year ended June 30, 2021 within the spending limit of $449.9 million set by the Common Council, and that the $17.6 million of the fund balance budgetary appropriation will be needed to fund the current year's operations. Assigned and Unassigned fund balance at June 30, 2021 is anticipated to be $51.6 million.

SCSD Budget — Year Ending June 30, 2021

The SCSD general fund budget for fiscal year ending June 30, 2021 that was submitted to the Mayor for inclusion in the Citywide budget, requested approval for total spending of $449.9 million. Such budget was approved on May 6, 2020 by the Common Council at the City. The Mayor approved the SCSD 2020-21 budget on May 10, 2019.

The SCSD 2020-21 general fund adopted budget provides for total appropriations for operations of $449.9 million, including other financing sources. Estimated revenue and financing sources for the budget with applicable percentages are as follows: State Aid to Education of $356.5 million (79.2%); the City provides $61.0 million derived from property tax collections (13.6%) and $5.4 million from School Tax Relief (1.2%); federal aid of $0.7 million (0.2%); sales tax collections of $0.45 million (0.1%) and miscellaneous revenue of $8.3 million (1.8%). The 2019-20 general fund budget of SCSD also includes a $17.6 million appropriation of fund balance, 3.9% of total appropriations for the year.

The SCSD applies for, and historically has received, approval for a significant number of categorical State and federal grants. For 2019-20 the SCSD received $62.8 million in grants and SCSD officials expect $72.9 million in such funds during 2020-21. These grants are accounted for in the SCSD's "Special Revenue Fund" and are not part of the SCSD's general fund budget. Of the $62.8 million in grants received in 2019-20, $35.5 million was from federal sources. SCSD officials expect that of the $72.9 million projected to be received during 2020-21, $32.7 million will be from federal sources.

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Following is a summary of the amended general fund budget for the fiscal year ending June 30, 2021:

SUMMARY AMENDED GENERAL FUND BUDGET

FISCAL YEAR ENDING JUNE 30, 2021

	2020-21 School District General Fund
ESTIMATED REVENUE:	
Real Property Taxes [(1) (2)]	$66,418,788
Sales Tax	450,000
Departmental Income	155,000
Use of Money and Property	300,500
Sale of Property and Compensation for Loss	50,750
State and Federal Aid	358,775,726
Other Revenue	2,861,337
Transfers In	5,000,000
	434,012,101
APPROPRIATION EXPENSE:	
Operating Expenses	407,559,935
Debt Service & Transfers Out	44,084,909
	451,644,844
Excess (Deficiency) Estimated Revenue Over Appropriations	(17,623,743)
APPROPRIATED FUND BALANCE	$ 17,623,743

(1) Includes School Tax Relief Aid.
(2) See "BONDHOLDER'S RISKS - Tax Levy Limitation Bill," herein.

SCSD Financial Plan

The SCSD maintains a 5-year financial plan for the General and Special Aid Funds. Such plan includes projections for the fiscal years 2020-21 through 2024-25.

General Fund revenue is projected to decline in 2021-22 due to the end of funding from the Coronavirus Aid, Relief, and Economic Security Act enacted by Congress and approved by the President on March 27, 2020 (the "CARES Act") and then grow in each subsequent year of the forecast from 2022-23 through 2024-25. Revenue is projected to decrease by $5.5 million (-1.3%) in 2020-21 and $7.7 million (-1.8%) in 2021-22. Thereafter annual revenue growth is projected at $9.6 million (2.3%) in fiscal year 2022-23, $18.4 million (4.2%) in fiscal year 2023-24, and $19.3 million (4.2%) in fiscal year 2023-24. Real property tax revenues are projected to remain relatively flat through fiscal year 2023-24. See "Tax Levy Limitation," herein. State Aid to Education, which currently makes up 79% of estimated revenue for the SCSD's General Fund budget, is projected to remain the same for fiscal year 2021-22. Thereafter, State

Aid is projected to increase 5.0% annually in 2022-23 through 2024-25, based upon the SCSD's expectation that it will receive such aid. Based on the SCSD's assumptions, State Aid to Education would constitute approximately 83% of total general fund revenue by fiscal year 2024-25.

Funding for special aid programs is projected to be $72.9 million in fiscal year 2020-21, and decline to $71.4 million in fiscal year 2021-22. Special aid revenue is projected to increase to $72.0 million in 2022-23, $72.6 in 2023-24, and to $73.3 million in 2024-25.

The SCSD plans to closely manage contractual services, health care expenses, and staffing in order to control costs during the five years of the financial plan. Total full-time employment increased by 1.54 FTE positions for 2020-21 and is projected to remain constant or decline for the remainder of the forecast. The SCSD financial plan projects that the $17.6 million in fund balance included in 2020-21 appropriations as amended will be needed to balance the budget. Assigned and unassigned fund balance as of June 30, 2020 was $69.3 million, and is projected to decrease to $51.7 million as of June 30, 2021 and decrease by $7.9 million in 2021-22 and by $5.8 million in 2022-23, then increase by $3.9 million in 2023-24 and by $13.3 million in 2024-25.

The revenue and expenditure projections presented in the School District's plan are as follows:

Financial Plan for the Years Ending 2021 – 2025

	2020-21 (millions)	2021-22 (millions)	2022-23 (millions)	2023-24 (millions)	2024-25 (millions)
General Fund:					
Revenue	$434.0	$426.3	$435.9	$454.3	$473.6
Expenditures (1)	-451.6	-434.2	-441.7	-450.4	-460.3
Use of (Add to) Fund Balance	17.6	7.9	5.8	-3.9	-13.3
Projected Fund Balance June 30th (2)	$51.7	$43.8	$38.0	$41.9	$55.2
Special Aid Fund:					
Revenue	$72.9	$71.4	$72.0	$72.6	$73.3
Expenditures	72.9	71.4	72.0	72.6	73.3
Use of Fund Balance	0	0	0	0	0

(1) Staff positions increased by 1.54 FTE positions in 2020-21. Staffing is projected to remain constant for the remainder of the forecast period.
(2) Reflects both assigned and unassigned portion of fund balance.

The projections set forth in the SCSD's 5-year financial plan are based on the expectations of SCSD officials about future events, economic performance and other items which are beyond the control of the SCSD. Such statements should not be construed as statements of fact. Actual results may differ materially from the projections of SCSD officials.

Source: SCSD Officials.

Employee Benefit Plans

SCSD participates in the State and Local Employees' Retirement System ("**ERS**") and the State Teachers' Retirement System ("**TRS**"). Obligations of employers and employees to contribute and benefits

to employees are governed by the New York State Retirement and Social Security Law ("**NYSRSSL**"). The systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service and are based on the projected unit credit method of valuation (see discussion of recently implemented Tier V and VI, which increases vesting period to 10 years).

NYSRSSL provides that participating employers in each system are jointly and severally liable for any actuarial unfunded amounts. Such amounts are collected through annual billings to all participating employers (See below). Generally, all employees, except certain part-time employees, participate in the systems. ERS and TRS are generally noncontributory systems except that members with less than 10 years of credited service must contribute 3% of their salary for retirement benefits. (See below, however, for information on the recently implemented Tier V and VI for new TRS and ERS members).

Retirement System Billing Procedures

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

The SCSD's contributions to ERS are due on February 1. Such contributions are based on salary estimates for the fiscal year ending on March 31 of the next calendar year.

Pension Reform

The State enacted pension reform legislation in 2003 and 2004, which changed the methods for determining contributions to ERS by participating member employers such as the SCSD and enacted certain other changes described herein.

Chapter 49 of the Laws of 2003 established minimum annual contributions to ERS and modified the billing cycles to better match the budget cycles of participating members. The valuation date for ERS was changed from April 1 in the year of contribution to April 1 of the second calendar year preceding the contribution due date. Employers now have better information for budgeting retirement costs as a result of the change in the valuation date. The legislation provided that minimum retirement contributions will be made by employers each year including for those years in which favorable investment returns would permit lower contributions.

Chapter 260 of the Laws of 2004 changed the due date for ERS contributions from December 15 to February 1, effective for contributions scheduled for payment on December 15, 2004 and thereafter. The period for amortizing excess contributions was increased from five years to ten years. ERS contributions were amortized through the State at market rates of interest determined by the State Comptroller. Alternatively, employers were authorized to issue taxable bonds to finance their eligible excess contributions. ERS members were authorized to amortize contributions due in 2006 and 2007 if such contributions exceed 9.5% and 10.5% of payroll, respectively. SCSD officials have indicated that all ERS contributions which were eligible for amortization were paid in full.

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.

Additionally, on March 16, 2012, the Governor signed into law the new Tier 6 pension program, effective for new ERS employees hired after April 1, 2012. The Tier 6 legislation provides, among other things, for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier 6 employees will vest in the system after ten years of employment and will continue to make employee pension contributions throughout employment.

On August 31, 2019, the State Comptroller announced for the State Fiscal Year 2020-21, the average contribution rate for ERS decreasing from 14.9% to 14.6%. Projections for required contributions will vary by employer depending on factors such as retirement plans, salaries and the distribution of their employees among six retirement tiers. The employer contribution rates announced will apply to each employee's salary base during the period of April 1, 2020 through March 31, 2021.

Retirement Contributions

The SCSD adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27 for the year ending June 30, 2017. Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of Statement No. 68, as well as for non-employer governments that have a legal obligation to contribute to those plans. This statement required the addition of several lines to the SCSD government-wide financial statements and a cumulative change in accounting principle adjustment to net position in the year of implementation as shown on page 21 of the audited financial statements for the fiscal year ended June 30, 2017.

The SCSD also adopted GASB Statement No. 71, Pension Transitions for Contributions Made Subsequent to the Transition Date – an amendment of GASB Statement No. 68 for the year ending June 30, 2017. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement required accounting for the impact of the payment the SCSD made to the New York State Retirement Systems during the fiscal year on the SCSD's portion of net pension asset from TRS.

Deferred outflows of $119.6 million and deferred inflows of $44.0 million, an increase of $4.4 million and $11.0 million, respectively from the prior year, were also recognized for the District's portion of the TRS and ERS pension plans in the fiscal year ended June 30, 2020 in accordance with GASB Statement No. 68 and 71 for the SCSD's share of the ERS and TRS pensions.

See "Notes to Financial Statements" in the SCSD's audited financial statements for the fiscal year ended June 30, 2020.

For the years ended June 30, 2014 through 2020 and the amounts budgeted for 2021, the SCSD's contributions to the State Retirement Systems are as follows:

Fiscal Year Ended June 30:	SCSD Contributions [1] ERS	TRS
2014	6,769,452	19,671,858
2015	5,816,753	27,027,205
2016	5,655,864	29,174,990
2017	5,408,869	23,282,509
2018	5,649,960	20,788,074
2019	5,984,280	18,028,006
2020	5,897,634	20,169,382
2021 (Amended Budget)	5,783,374	17,454,204

(1) Does not include City contributions.

Source: The Audited Financial Statements and SCSD officials. See "Notes to Financial Statements" in the audited financial statements for the fiscal year ended June 30, 2020.

Post Employment Benefits

In addition to providing pension benefits, the SCSD provides certain health care benefits to retired employees. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by SCSD may vary according to length of service. Substantially all of the SCSD's employees may become eligible for those benefits if they reach normal retirement age while working for SCSD. The cost of retiree health care benefits is recognized as an expenditure as claims are paid.

In June 2015, the Government Accounting Standards Board ("**GASB**") issued Statement No. 75 entitled "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" ("**Statement No. 75**"). Statement No. 75 replaces the requirements of Statement No. 45 entitled "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", as amended, and Statement No. 57 entitled "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans" for OPEB. Statement No. 74 entitled "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans" establishes new accounting and financial reporting requirements for Other Post Employment Benefit ("**OPEB**") plans. Statement No. 75 establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to certain postemployment benefits. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The SCSD adopted the provisions of this Statement for the year ended June 30, 2018 and a cumulative change in accounting principle adjustment to net position as shown on page 20 of the audited financial statements for the fiscal year ended June 30, 2018. A one-time prior-period adjustment of $138.4 million was made to the beginning net position to reflect the transition from Statement No. 45, under which the Projected Unit Credit Cost method was used to complete actuarial valuation to Statement No. 75, under which the Entry Age Normal Level Percent of Pay method was used to complete the actuarial valuation.

Actuarial Valuation Report

The SCSD separately engaged an actuarial firm to value the other postemployment benefits with respect to SCSD employees. Such valuation was completed using an actuarial valuation date of July 1, 2019 and the actuary's report was issued, forming the basis of the information required by GASB 75 to be reported in the SCSD's entity wide statements for the year ended June 30, 2020. Pursuant to the valuation, the SCSD's total OPEB liability ("**TOL**") is $288.1 million, a decrease of $375.0 million from the prior year's balance of $645.1 million. There were no plan assets. The covered payroll (annual payroll of active employees covered by the plan) was $229.6 million and the ratio of the liability to the covered payroll was 125.5%. The SCSD's annual OPEB cost for 2019-20 was $16.4 million, deferred inflows of resources were $354.3 million, and deferred outflows of resources were $24.6 million as of June 30, 2020. See "Notes to Financial Statements- Note 8" (page 50) and "Schedule of Changes in Total OPEB Liability and Related Ratios" (page 57) in the audited financial statements of the SCSD for the fiscal year ended June 30, 2020.

In the most recent actuarial valuation the Entry Age Normal Level Percent of Pay method was used. The actuarial assumptions included a 2.45% discount rate, which is based on an analysis of returns on the Fidelity General Obligation 20-Year AA Municipal Bond Index, a healthcare cost trend rate of 4.40% - 6.75%, an inflation rate (CPI) of 2.25% and an amortization period of 7.114 years.

THE ISSUER

The City of Syracuse Industrial Development Agency is a corporate governmental agency constituting a body corporate and politic and a public benefit corporation organized and existing under the laws of the State. The Series 2021A Bonds are authorized and issued by the Issuer under the provisions of the Constitution and Laws of the State, particularly the Act and the Syracuse Schools Act.

The Issuer is comprised of five members. The following are the members of the Board of Directors of the Issuer:

Kathleen Murphy – Chairperson
Stephen P. Thompson – Vice Chairman
Kenneth J. Kinsey – Treasurer
Rickey T. Brown – Secretary
Dirk Sonneborn – Member

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PLAN OF FINANCING

The Series 2021A Bonds are being issued, and the proceeds used, for the purpose of: (i) refunding or paying at maturity all of the outstanding Refunded Bonds; and (ii) financing certain costs of issuance of the Series 2021A Bonds and paying the redemption costs of the Refunded Bonds.

The 2010 Refunded Bonds being refunded from a portion of the proceeds of the Series 2021A Bonds will mature, or be redeemed prior to maturity, in the respective principal amounts on the dates and at the prices as set forth below:

Maturity Date (May 1,)	Principal Amount	Coupon	Redemption Date (May 1,)	Redemption Price	CUSIP Numbers[1]
2021	2,155,000**	5.000			871683BG2
2022	2,265,000	4.125	2021	100	871683BH0
2023	2,360,000	4.500	2021	100	871683BJ6
2024	2,460,000	5.000	2021	100	871683BK3
2025	2,580,000	4.750	2021	100	871683BL1
2026	2,710,000	5.250	2021	100	871683BM9
2027	2,850,000	5.000	2021	100	871683BN7

The 2011A Refunded Bonds being refunded from a portion of the proceeds of the Series 2021A Bonds will mature, or be redeemed prior to maturity, in the respective principal amounts on the dates and at the prices as set forth below:

Maturity Date (May 1,)	Principal Amount	Coupon	Redemption Date (May 1,)	Redemption Price	CUSIP Numbers[1]
2021	3,270,000**	5.000			871683BX5
2022	3,435,000	5.000	2021	100	871683BY3
2023	2,615,000	5.000	2021	100	871683BZ0
2024	155,000	4.000	2021	100	871683CA4
2025	160,000	4.000	2021	100	871683CB2
2026	165,000	4.125	2021	100	871683CC0
2027	175,000	4.125	2021	100	871683CD8
2028	1,880,000	4.125	2021	100	871683CE6

[1] CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers listed above are being provided solely for the convenience of bondholders only at the time of issuance of such series of bonds and the Issuer and the Underwriter do not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of such series of bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of such series of bonds.

** Bonds paid at maturity.

The redemption or payment at maturity of all or a portion of the Refunded Bonds will achieve debt service savings for the SCSD. In order to accomplish the refunding of the Refunded Bonds, substantially all of the proceeds from the sale of the Series 2021A Bonds will be deposited into: (i) separate special trust fund(s) for the benefit of the holders of the Refunded Bonds (the "***Escrow Fund***") created by a Refunding Escrow Trust Agreement (the "***Refunding Escrow Trust Agreement***"); to be entered into on the date of issuance of the Series 2021A Bonds among the Issuer, the SCSD and Manufacturers and Traders Trust Company, as Escrow Agent under each Refunding Escrow Trust Agreement.

The moneys deposited in the Escrow Fund will be held in cash and used to acquire Defeasance Obligations (as defined in the Series 2010 Indenture and Series 2011A Indenture), the principal of and interest on which when due, together with the amount held in cash and uninvested, will provide moneys sufficient for the payment of the principal or Redemption Price of, as the case may be, and the interest accrued and to accrue when due on the Refunded Bonds.

The accuracy of the arithmetical computations of the adequacy of the amounts of maturing principal of and interest on the Defeasance Obligations, together with the amount held in cash and uninvested, to pay when due the principal and Redemption Price of, as the case may be, and interest on the Refunded Bonds will be verified by Causey Demgen & Moore, certified public accountants and consultants. In the opinion of Bond Counsel, and in reliance upon such verification of mathematical computations, upon making such deposit with the Escrow Agent pursuant to the Series 2010 Indenture and Series 2011A Indenture, and upon the issuance of certain irrevocable instructions to the Escrow Agent, the Refunded Bonds, under the terms of the Series 2010 Indenture and Series 2011A Indenture, will be deemed to have been paid, and the covenants, agreements, and other obligations of the Issuer to the holders of the Refunded Bonds will be discharged and satisfied, except as to those provisions under Sections 3.6 (Interchangeability, Transfer and Registry), 3.7 (Bonds Mutilated, Destroyed, Stolen or Lost), 3.9 (Requirements With Respect to Transfers) and 5.4 (State or School Aid Intercept) of the Series 2010 Indenture and Series 2011A Indenture which provisions survive until the Refunded Bonds have been paid in full.

SOURCES AND USES OF FUNDS

Sources of Funds	
Principal Amount of Series 2021A Bonds	$ _____
Original Issue Premium	_____
Total Sources of Funds	$ _____
Uses of Funds	
2010 Refunded Bonds Escrow Fund Deposit	$ _____
2011A Refunded Bonds Escrow Fund Deposit	$
Costs of Issuance[(1)]	_____
Total Uses of Funds	$ _____

(1) Includes Issuer fee, underwriters' discount and certain other costs.

THE SERIES 2021A BONDS

General

The Series 2021A Bonds will be initially issued in book-entry-only form as a single authenticated fully registered certificate for each maturity of each series of the Series 2021A Bonds. See "THE SERIES 2021A BONDS—Registration and Payment—Book-Entry System."

The Series 2021A Bonds shall be dated, mature on the dates and in the principal amounts, and bear interest payable on the dates and at the annual rates, as set forth on the inside cover page hereto.

Interest on the Series 2021A Bonds shall be payable on each Interest Payment Date and shall be computed on the basis of a 360-day year of twelve 30-day months. Notwithstanding anything herein to the

contrary, the interest rate borne by the Series 2021A Bonds shall not exceed the maximum permitted by, or enforceable under, applicable law.

The principal or Redemption Price of the Series 2021A Bonds shall be payable at the principal corporate trust office of the Trustee in Buffalo, New York or at the corporate trust office of any successor Paying Agent. Interest on the Series 2021A Bonds shall be payable to the Person whose name appears on the registration books of the Trustee as the registered owner thereof on the Record Date next preceding the Interest Payment Date: (1) by check or draft mailed on the Interest Payment Date to the registered owner; or (2) by wire or bank transfer on the Interest Payment Date to any owner of at least $1,000,000 in original aggregate principal amount of the Series 2021A Bonds, upon written notice provided by the owner to the Trustee not later than five (5) days prior to the Record Date for such interest payment (which request will remain in effect until revoked); except that, if and to the extent there shall be a default in the payment of the interest due on any Interest Payment Date with respect to the Series 2021A Bonds, the defaulted interest shall be paid to the owners in whose names the Series 2021A Bonds are registered at the close of business on a special record date to be fixed by the Trustee, which date shall not be more than fifteen (15) nor less than ten (10) days next preceding the date of payment of the defaulted interest. Interest payments made by check or draft shall be mailed to each owner at his or her address as it appears on the registration books of the Trustee on the applicable Record Date or at such other address as he or she may have filed with the Trustee for that purpose and appearing on the registration books of the Trustee on the applicable Record Date. Wire transfer payments of interest shall be made at such wire transfer address as the owner shall specify in his or her notice requesting payment by wire transfer.

Exchange of Series 2021A Bonds

The holders of any Series 2021A Bonds may surrender the same, at the principal corporate trust office of the Trustee, in exchange for an equal aggregate principal amount of Series 2021A Bonds of any of the authorized denominations of the same maturity and maturities as the Series 2021A Bonds so surrendered, subject to the conditions and upon payment of the charges provided in the Indenture. However, the Trustee will not be required to: (i) transfer or exchange any Series 2021A Bonds during the period between a Record Date and the following Interest Payment Date or during the period of fifteen (15) days next preceding any day for the selection of Series 2021A Bonds to be redeemed; or (ii) transfer or exchange any Series 2021A Bonds selected, called or being called for redemption in whole or in part.

Transfer of Series 2021A Bonds

Each of the Series 2021A Bonds is transferable, as provided in the Indenture, only upon the books of the Issuer kept for that purpose at the principal corporate trust office of the Trustee by the registered owner thereof in person, or by his duly authorized attorney-in-fact, upon surrender of such Series 2021A Bond (together with a written instrument of transfer in the form appearing on such Series 2021A Bond duly executed by the registered owner or his duly authorized attorney-in-fact with a guaranty of the signature thereon by a member of the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15), and thereupon a new fully registered Series 2021A Bond in the same aggregate principal amount and maturity shall be issued to the transferee in exchange therefor as provided in the Indenture and upon payment of the charges therein prescribed. The Issuer, the SCSD, the City, the JSCB, the Bond Registrar, the Trustee and the Paying Agent may deem and treat the person in whose name a Series 2021A Bond is registered as the absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price thereof and interest due thereon and for all other purposes whatsoever.

Redemption of the Series 2021A Bonds

Optional Redemption of the Series 2021A Bonds

The Series 2021A Bonds are not subject to optional redemption prior to the maturity thereof.

Mandatory Redemption of the Series 2021A Bonds

The Series 2021A Bonds shall be redeemed at any time in whole or in part (but if in part in integral multiples of $5,000) by lot prior to maturity in the event and to the extent: (i) excess Bond proceeds shall remain after the completion or abandonment of the Series 2021A Project; or (ii) moneys are transferred to the Bond Fund pursuant to Article V of the Indenture or paid to the Trustee pursuant to the Installment Sale Agreement for deposit into the Bond Fund upon receipt of property insurance or condemnation proceeds or proceeds of a conveyance of one or more Facilities in lieu of condemnation, at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2021A Bonds to be redeemed, together with interest accrued thereon to the date of redemption.

Selection of Series 2021A Bonds to be Redeemed

If the Series 2021A Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of the Series 2021A Bonds, the Issuer will cause notice of redemption to be given in accordance with the provisions of the Indenture. The selection of the book-entry interests within each Series 2021A Bond maturity to be redeemed will be done in accordance with the provisions of the Indenture and DTC procedures.

Redemption Procedures

If any of the Series 2021A Bonds are to be called for redemption, the Indenture requires a copy of the redemption notice to be mailed at least thirty (30) days prior to such redemption date to the registered owner of each Series 2021A Bond to be redeemed at the address for such owner shown on the registration books. All Series 2021A Bonds so called for redemption will cease to bear interest after the date fixed for redemption if funds for their redemption are on deposit at the place of payment at that time. If notice of redemption shall have been given as aforesaid, the Series 2021A Bonds called for redemption shall become due and payable on the redemption date, *provided, however*, that with respect to any general optional redemption as described above, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, redemption premium, if any, and interest on the Series 2021A Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Issuer shall not be required to redeem the Series 2021A Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. If a notice of redemption shall be unconditional or, if the conditions of a conditional notice of redemption shall have been satisfied, then upon presentation and surrender of Series 2021A Bonds so called for redemption at the place or places of payment, such Series 2021A Bonds shall be redeemed.

So long as the Securities Depository is effecting book-entry transfers of the Series 2021A Bonds, the Trustee shall provide the notices specified in the paragraph above only to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Series 2021A

Bond (having been mailed notice from the Trustee, the Securities Depository, a Participant or otherwise), to notify the Beneficial Owner of the Series 2021A Bond so affected shall not affect the validity of the redemption of such Series 2021A Bond.

Registration and Payment — Book-Entry System

Beneficial ownership interests in the Series 2021A Bonds will be available in book-entry-only form, in the principal amount of $5,000 or integral multiples thereof. Purchasers of beneficial ownership interests in the Series 2021A Bonds will not receive certificates representing their interests in the Series 2021A Bonds purchased.

DTC will act as securities depository for the Series 2021A Bonds. The Series 2021A Bonds will be issued as fully-registered securities 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 or more fully-registered Bond certificates will be issued and deposited with DTC for each principal amount of each series of Series 2021A Bonds maturing on a specified date and bearing interest at a specified interest rate, each in the aggregate principal amount of such quantity of Series 2021A Bonds.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. 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 Series 2021A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2021A Bond ("***Beneficial Owner***") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, 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 Series 2021A Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bond certificates representing their ownership interests in Series 2021A Bonds, except in the event that use of the book-entry system for the Series 2021A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2021A Bonds with DTC and their registration in the name of Cede & Co. or such other nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021A Bonds are credited, which may or may not be the Beneficial Owners. The Direct or 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. Beneficial Owners of Series 2021A Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2021A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2021A Bonds. For example, Beneficial Owners of Series 2021A Bonds may wish to ascertain that the nominee holding the Series 2021A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2021A Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2021A Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2021A Bonds, are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption, distributions, and interest payments on the Series 2021A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or the Trustee, 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, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest and redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, 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.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference will only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they will be sent by the Trustee to DTC only.

The Issuer and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the Series 2021A Bonds registered in its name for the purpose of payment of the principal of, or interest on such Series 2021A Bonds, giving any notice permitted or required to be given to registered

owners under the Indenture, registering the transfer of the Series 2021A Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. The Issuer and the Trustee will not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Series 2021A Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books of the Issuer (kept by the Trustee) as being a registered owner, with respect to: the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal or interest on the Series 2021A Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges provided in the Indenture; or other action taken by DTC as a registered owner. The Trustee will forward interest and principal payments to DTC, or its nominee. Disbursement of such payments to the Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Participants or the Indirect Participants.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF ALL OF THE SERIES 2021A BONDS, REFERENCES HEREIN TO THE OWNERS, HOLDERS OR BONDHOLDERS OF THE SERIES 2021A BONDS (OTHER THAN UNDER THE CAPTIONS "TAX MATTERS" AND "SECONDARY MARKET DISCLOSURE" HEREIN) WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

For every transfer and exchange of beneficial ownership of the Series 2021A Bonds, a Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

DTC may discontinue providing its services as depository with respect to the Series 2021A Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2021A Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2021A Bond certificates will be printed and delivered to DTC.

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

Each person for whom a Participant acquires an interest in the Series 2021A Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications of DTC, which may affect such persons, to be forwarded in writing by such Participant and to have notification made of all interest payments. NONE OF THE ISSUER, THE UNDERWRITERS, OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2021A BONDS.

NEITHER THE ISSUER, THE SCSD NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT, REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2021A BONDS; (3) THE DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR

PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO HOLDERS OF THE SERIES 2021A BONDS; OR (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2021A BONDS.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021A BONDS

General

The City and the SCSD will grant a license interest to the Series 2021A Facilities to the Issuer pursuant to the Seventh Amendatory License Agreement, to permit the Issuer to enter upon the Series 2021A Facilities for the purpose of completing the Series 2021A Project, and, pursuant to one or more bills of sale, will convey title to the equipment comprising the Series 2021A Facilities to the Issuer. The Issuer will sell its interest in the Series 2021A Facilities to the SCSD and the City pursuant to the Installment Sale Agreement and will appoint the JSCB as agent of the Issuer with respect to the Series 2021A Project. Pursuant to the Indenture, the Issuer has assigned to the Trustee substantially all of its right, title and interest in and to State Aid to Education and in and to the Installment Sale Agreement, including all rights to receive Installment Purchase Payments thereunder with respect to the Series 2021A Bonds (other than in respect of the Issuer's Reserved Rights). Under the State Aid Depository Agreement, the City, the SCSD and the Depository have agreed to direct the State Comptroller to pay all State Aid to Education directly to the State Aid Depository Fund established and held under the State Aid Depository Agreement, all for the benefit on a Ratable Basis of the Series 2021A Bonds and each other series of Project Bonds outstanding, including the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds, the Series 2018A Bonds, the Series 2018B Bonds, the Series 2019A Bonds and the Series 2020A Bonds. In the event the SCSD or the City fails to make a payment under the Installment Sale Agreement, the Syracuse Schools Act and the Indenture provide that, upon receipt by the State Comptroller of a certificate from or on behalf of the Trustee on behalf of the Issuer as to the amount of such failed payment, the State Comptroller shall withhold any State Aid to Education from the SCSD and the City payable thereto to the extent of the amount so stated in each such certificate as not having been made, and shall immediately pay over to the Trustee on behalf of the Issuer the amount so withheld.

The License Agreement

Pursuant to the Eighth Amendatory License Agreement, the City and the SCSD will license the Series 2021A Facilities to the Issuer. The Eighth Amendatory License Agreement will be entered into concurrently with the issuance of the Series 2021A Bonds and will have a term ending upon the later of the completion of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project, the Series 2018A Project, the Series 2018B Project, the Series 2019A Project, the Series 2020A Project or the Series 2021A Project.

The Installment Sale Agreement

The Issuer will sell its interest in the Series 2021A Facilities to the SCSD and the City pursuant to the Installment Sale Agreement. The Installment Sale Agreement provides for the appointment of the JSCB as the agent of the Issuer to complete the Series 2021A Project, provides the SCSD with the right to use, occupy and operate the Series 2008-2021A Facilities, obligates the SCSD to maintain and manage the Series 2008-2021A Facilities, and obligates the SCSD and the City to pay all costs related to operation of the Series 2008-2021A Facilities. Installment Purchase Payments (as defined in the Installment Sale Agreement) due under the Nineth Amended Agreement will equal principal and interest due on the Series 2021A Bonds and are payable on each April 1. Notwithstanding the April 1 Installment Purchase Payment Date and Base Installment Purchase Payment Date under the Installment Sale Agreement, said agreement provides that if the SCSD fails to appropriate by November 1, 2021 (or by any subsequent November 1 that

the Series 2021A Bonds remain Outstanding) State Aid Revenues in an amount sufficient to pay the Installment Purchase Payment and Base Installment Purchase Payments due on the immediately succeeding April 1 (less any amounts on deposit in the Bond Fund and available on such November 1), then: (y) the SCSD shall promptly deliver written notice of such failure to appropriate to the Issuer and the Trustee, and (z) the next succeeding April 1 payment date for the annual Installment Purchase Payment Date and Base Installment Purchase Payment Date shall instead be the November 15 immediately preceding such April 1 payment date as if that November 15 were the originally scheduled annual Installment Purchase Payment Date; and if for any reason the Installment Purchase Payment and Base Installment Purchase Payments due on such November 15 are not made by such date, any such failed payment shall constitute a failure to make a payment under the Installment Sale Agreement for purposes of the Installment Sale Agreement, the Syracuse Schools Act and the State Aid intercept implementing provisions of the Indenture, as well as of the Series 2010 Indenture, the Series 2011 Indenture, the Series 2017 Indenture, the Series 2018A Indenture, the Series 2018B Indenture, the Series 2019A Indenture, the Series 2020A Indenture , and the Series 2021A Indenture.

Except for funds, investments and other amounts held under the Indenture, the Issuer has pledged no other assets to the payment of the Series 2021A Bonds, and except for the intercept of State Aid to Education payable to the City or the SCSD by the State Comptroller as herein described, it is anticipated that the Issuer's sole source of payment for the Series 2021A Bonds will be derived from Installment Purchase Payments made by the SCSD and the City under the Installment Sale Agreement. The obligation of the SCSD and the City to pay Installment Purchase Payments under the Installment Sale Agreement are deemed executory only to the extent of State Aid to Education appropriated by the State and available to the SCSD and/or the City, and budgeted by the SCSD and appropriated by the City and SCSD to the payment of Installment Purchase Payments under the Installment Sale Agreement. In the event State Aid to Education is not appropriated to the SCSD or the City, neither the SCSD nor the City will be obligated to pay any amounts due under the Installment Sale Agreement; *provided, however*, the failure of the SCSD or the City for any reason (including a failure by the SCSD to budget Installment Purchase Payments, a failure by the City to approve a budget for the SCSD providing for such Installment Purchase Payments, a failure by the City or the SCSD to appropriate such payments, or a failure by the State to appropriate State Aid to Education) to make an Installment Purchase Payment under any Installment Sale Agreement is nevertheless deemed a failure to make a payment thereunder for purposes of such Installment Sale Agreement, the Syracuse Schools Act, State Aid to Education intercept implementing provisions of the Indenture. In the event State Aid to Education is appropriated by the State to the SCSD or the City and the SCSD and the City do not appropriate such State Aid to Education to make Installment Purchase Payments under the Installment Sale Agreement, the Trustee (as well as the Series Trustee) on behalf of the Issuer shall direct the State Comptroller to intercept State Aid to Education payable to the City or the SCSD for the payment of such Installment Purchase Payments. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021A BONDS—State Aid Intercept." Subject to the foregoing limitation, the obligation of the SCSD and the City to pay Installment Purchase Payments under the Installment Sale Agreement and to perform their obligations thereunder shall be absolute and unconditional, and such Installment Purchase Payments and other amounts shall be payable without any rights of set-off, recoupment or counterclaim or deduction and without any right of suspension, deferment, diminution or reduction it might otherwise have against the Issuer, the Trustee, any purchaser of the Series 2021A Bonds, or any other person, and whether or not any or all of the Series 2008-2021A Facilities are used or occupied by the City, the JSCB or the SCSD or are available for use or occupancy by the City, the JSCB or the SCSD.

In order to protect the priority of the rights of the Trustee to State Aid to Education under the Syracuse Schools Act, the SCSD and the City have covenanted and agreed in the Installment Sale Agreement that they will not enter into any agreement, indenture or other instrument, including any Series Facilities Agreement in connection with a Series of Project Bonds under a Series Indenture, which will have the effect, directly or indirectly, of providing a greater priority or preference to the intercept of state

and/or school aid under the Syracuse Schools Act than the pledge effected pursuant to the Indenture. The foregoing covenant shall not be deemed (y) to limit or deny the ability of the issuer of a Series of Project Bonds to pledge State Aid to Education on a parity with the pledge effected by the Issuer under the Indenture or (z) to require that any Series of Project Bonds issued under a Series Indenture have the same payment dates or amortize principal on a schedule comparable to that of the Bonds Outstanding under the Indenture or that any payment dates under a Series Facilities Agreement be the same as provided for in the Installment Sale Agreement.

In order to provide for the obligation to make payments under the Installment Sale Agreement, the SCSD has agreed that: (i) the proposed expense budget for each ensuing fiscal year of the SCSD, commencing July 1, 2020, shall include, either as a separate item of expenditure or as an expenditure within a budget item, the amount of Installment Purchase Payments and Additional Payments (as defined in the Installment Sale Agreement) due under the Installment Sale Agreement to come due in such next fiscal year; and (ii) it shall approve payment of such Installment Purchase Payments and Additional Payments after appropriation by the City thereof. The City agrees that it shall approve a budget for the SCSD containing such items of expenditure and appropriate sufficient funds at each ending fiscal year commencing with the fiscal year ending June 30, 2021 to make the Installment Purchase Payments and Additional Payments to come due in such next fiscal year, *provided, however*, that any such appropriation (y) of Installment Purchase Payments shall only be payable by the City and the SCSD to the extent of State Aid to Education, and (z) of Additional Payments shall only be payable by the City and the SCSD to the extent contained in the SCSD budget approved and appropriated by the City. See "BONDHOLDERS' RISKS — Appropriation of Installment Purchase Payments by the City and the SCSD" and "Appropriation of and Possible Changes to State Aid."

Upon the occurrence of an "Event of Nonappropriation" (i.e., the failure by the City or the SCSD to pay or cause to be paid, when due, the Installment Purchase Payments or Additional Payments to be paid under the Installment Sale Agreement, as a result of: (i) the failure by the SCSD to include in the annual SCSD budget submitted to the Mayor of the City line items for the Installment Purchase Payments or Additional Payments to be paid under the Installment Sale Agreement or to approve such payments after appropriation by the City therefor; (ii) the failure by the City to approve and appropriate the annual SCSD budget containing line items for the Installment Purchase Payments or Additional Payments to be paid under the Installment Sale Agreement and thereby appropriate funds for the payment thereof; or (iii) the failure by the SCSD to approve payment of Installment Purchase Payments or Additional Payments after appropriation by the City therefor) or an "event of default" under the Installment Sale Agreement, there is no acceleration of the obligation of the SCSD and the City to pay all future Installment Purchase Payments under the Installment Sale Agreement.

State Aid to Education

General

The SCSD receives substantial financial assistance from the State. For the 2020-21 fiscal year, the SCSD's general fund adopted budget includes approximately 79.2% of its estimated revenues in the form of State Aid to Education, including other financing sources. State Aid to Education for public schools comes primarily from the State's general fund wherein the major revenue source is the State income and sales taxes. The balance of State Aid to Education for public schools comes from a special revenue fund account supported by lottery receipts.

The following table sets forth the total amount of State Aid to Education received by the SCSD for fiscal years ended June 30, 2007 through 2020 and the amount included in the adopted budget for the 2020-21 fiscal year and the adopted State Budget for the 2020-21 fiscal year:

State Aid to Education
For Fiscal Years June 30:
(000's)

Year	State Aid to Education Received[1]
2007	$190,955
2008	246,283
2009	267,367
2010	251,804
2011	245,158
2012	254,117
2013	285,209
2014	285,290
2015	285,722
2016	296,187
2017	320,555
2018	332,363
2019	341,921
2020	362,105
2021 (Budget)	356,464

Source: SCSD Officials

(1) Excludes School Tax Relief ("STAR") aid.

The aggregate of estimated maximum annual Installment Purchase Payments with respect to all Project Bonds outstanding and the Series 2021A Bonds (after giving effect to the refunding of the Refunded Bonds) is $_____.

The amount of State Aid to Education estimated to be received by the SCSD in the fiscal year ending June 30, 2021 is $356.5 million and has averaged approximately $330.6 million over the five fiscal years ended June 30, 2020.

No assurance can be given that the amount of State Aid to Education will continue or be available in these amounts in future fiscal years. (See "BONDHOLDERS' RISKS - The State's Financial Condition, Reduced State Aid, Delayed Payment and Impact of the Novel Coronavirus Pandemic" and "APPENDIX A — Certain Financial Information and Audited Financial Statements of the Board of Education of the City School District of the City of Syracuse.")

Beginning with the 2007-08 fiscal year, the majority of State Aid to Education received by the SCSD has been "Foundation Aid." Foundation Aid was established by the 2007-08 State budget and combined four categorical aid grants with certain other formula aids. Formula aids consist of State Aid to Education determined in accordance with an application submitted to SED, which incorporates required data concerning district enrollment, attendance and approved expenditures. As a result of poor economic conditions then affecting the State, no increase in Foundation Aid was received by the SCSD in fiscal years 2009-10, 2010-11, or 2011-12. The SCSD received its first increase in Foundation Aid since 2008-09 with the adoption of the 2012-13 New York State Budget and has since received increases each year. Foundation Aid may decline in the future and no assurance can be given that Foundation Aid will continue at its current level. In addition, no assurance can be given that other categories of State Aid to Education will continue at current levels or will increase in the future. See "BONDHOLDERS' RISKS - The State's Financial Condition, Reduced State Aid, Delayed Payment and Impact of the Novel Coronavirus Pandemic."

The receipt of Foundation Aid is dependent upon, among others, satisfaction of certain monitoring and expenditure requirements. In addition, within Foundation Aid there are stipulations that the SCSD must use a formula-based amount on new programs, or expansion of existing programs, to improve student achievement, as outlined in the Contract for Excellence ("**CFE**"). For fiscal years 2016-17, 2017-18, 2018-19 and 2019-20, the total CFE set-aside has been $12.7 million for each fiscal year. The CFE set-aside amount is expected to remain at $12.7 million for 2020-21.

In addition to the CFE set-aside, beginning with the 2016-17 fiscal year, the Foundation Aid increase included a set aside for Community Schools Aid. Community Schools Aid must be used to support creating or expanding the community school model which can include funding programs that provide health, mental health and nutritional services to students and their families. The Community Schools Aid set-aside amounts were $10.2 million in 2016-17, $11.7 million in 2017-18, $13.2 million in 2018-19 and $14.6 million in 2019-20. The Community Schools Aid set aside for 2020-21 is anticipated to be $14.6 million. Such set-aside contains spending requirements and restrictions on how these funds will be expended.

Another State Aid to Education category, Charter School Transitional Aid, was established in the 2007-08 State Budget to help provide relief from the financial drain caused by the significant number of charter school students in certain school districts, including the SCSD. This aid continues on a rolling basis so long as charter school enrollment continues to increase. In addition to Charter School Transitional Aid, beginning with the fiscal year 2015-16, the State established another aid category called Charter School Supplemental Basic Tuition Aid. As amended in 2017-18, SCSD receives an apportionment equal to the amount of the Supplemental Basic Tuition paid to charter schools each year as aid in the subsequent year. The following table indicates the amount of Charter School Transitional Aid and Charter School Supplemental Basic Tuition Aid received by the SCSD in each of the five fiscal years June 30, 2016 through 2020, and as budgeted for 2021.

Fiscal Year:	**Charter School Transitional Aid:**	**Charter School Supplemental Basic Tuition Aid**
2016	2,152,172	373,248
2017	1,589,032	514,199
2018	2,063,380	762,860
2019	2,311,884	1,678,920
2020	3,375,232	1,849,560
2021 (Budget)	3,852,630	2,051,000

The SCSD receives State Aid to Education in multiple installments throughout its fiscal year based on a formula established by SED. Cash distributions of this aid are net of the SCSD's required contributions to the Teachers' Retirement System, which are generally withheld for distributions in the months of September, October and November.

The State's 2020-21 enacted budget links payment of school aid increases for 2020-21 to submission of Budget Transparency Reporting. The amount of total State Aid to Education budgeted to be received by the SCSD in fiscal year ending June 30, 2021 is $356.5 million, which is a decrease of $5.8 million, or 1.6%, compared to the amount budgeted for the 2019-20 fiscal year. In December 2020, New York State Department of Education approved the Syracuse City School District Budget Transparency Report, therefore the current year state aid increase payment will not be delayed or withheld.

Payment of State Aid to the SCSD may be withheld due to the failure of the City or the Board of Education to comply with various requirements of State law or the regulations of the Commissioner of Education relating to instructional programs, programs for the handicapped or other matters or the failure of the City to pay debt service on obligations issued for school purposes. In addition, the State may withhold aid if the SCSD fails to meet the deadline for submitting its independent audit report to the State Education Department. Pursuant to Section 2116-a of the Education Law, the SCSD must file such report no later than January 1st, however, the State has granted school districts a 30-day "grace period" before aid is withheld. The SCSD filed its report for fiscal year 2019-20 on time. The City and the Board of Education believe that they are in material compliance with all other requirements and have made the necessary debt service appropriations.

As stated below under "State Aid Intercept," in the event the SCSD and the City fail to make an Installment Purchase Payment under the Installment Sale Agreement, the Syracuse Schools Act and the Indenture provide that upon receipt by the State Comptroller of a certificate from the Trustee on behalf of the Issuer stating the amount of such failed payment, the State Comptroller shall withhold any State and/or school aid from the SCSD and the City payable thereto to the extent of the amount so stated in such certificate as not having been made, and shall immediately pay over to the Trustee on behalf of the Issuer the amount so withheld. The Syracuse Schools Act provides that (x) any amount of State and/or school aid paid by the State Comptroller shall not obligate the State to make, nor entitle the SCSD to receive, any additional amounts of State and/or school aid, (y) nothing contained in the Syracuse Schools Act shall be deemed to prevent the State from modifying, reducing or eliminating any program or programs of State and/or school aid, and (z) the State shall not be obligated by the terms of the Syracuse Schools Act to maintain State and/or school aid at any particular level or amount. No assurance can be given that present State and/or school aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State and/or school aid could have a material adverse effect upon the SCSD, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. If in any year the State fails to adopt its budget in a timely manner, municipalities and school districts in the State, including the City and the SCSD, may be adversely affected by a delay in the payment of State and/or school aid.

State Building Aid

A portion of State Aid to Education received each year by the SCSD constitutes state building aid (such portion being "State Building Aid"). State Building Aid is available for certain approved capital improvements to school buildings housing elementary and/or secondary students, and for school bus garages. A project is not eligible for aid unless the construction costs of the project are equal to or exceed $10,000, excluding incidental costs. Consistent with Section 3602, subdivision 6 of the Education Law, construction may include the construction of new buildings or additions, alterations and the reconstruction of existing facilities.

The purpose of State Building Aid is to assure that each school district provides suitable and adequate facilities to accommodate its students and programs. To this end, new facilities, new buildings, additions, major alterations must meet specific standards pertaining to the type, size and number of teaching stations, as well as building code requirements. Existing facilities must meet health and safety regulations, and reconstruction of existing facilities must meet building code requirements.

The Commissioner of Education must approve plans and specifications for the capital construction projects undertaken by the SCSD. This charge is administered by the Office of Facilities Planning pursuant to Section 408 of the Education Law and Part 155.2 of the Regulations of the Commissioner of Education.

Eligibility for new construction is determined through an assessment of information contained in the SCDC's long-range plan, and includes educational need, a comparison of pupil enrollment projections, and the rated pupil capacity of existing buildings. In the case of school buildings, State Building Aid is a function of the pupil capacity assigned to the capital construction project.

The SCSD received a building aid ratio of 98% from the State on eligible expenses for Phase I projects. State Building Aid fluctuates from year to year based on a number of factors, including the ratio of the City's wealth to the State's average wealth. Currently, SCSD State Building Aid is at 98% for new projects, which SCSD officials anticipate will be the building aid ratio for eligible Phase II projects.

The State is not obligated to continue to make State Building Aid payments. No assurance can be given that State Building Aid will continue to be received by the SCSD or the City or, if received, will be in amounts comparable to the amounts of State Building Aid received by the SCSD or the City in the past. State budgetary restrictions could eliminate or substantially reduce State Building Aid in the future. See "BONDHOLDERS' RISKS - The State's Financial Condition, Reduced State Aid, Delayed Payment and Impact of the Novel Coronavirus Pandemic."

Pursuant to Chapter 383 of the Laws of 2001 ("**Chapter 383**"), certain provisions of the Education Law have been amended to impose an "assumed amortization schedule" on certain debt incurred by the City for school construction purposes and to thereby revise the manner in which State Building Aid is to be paid to the SCSD with respect to school debt in fiscal years commencing July 1, 2002. Chapter 383 requires that the State Education Department reset the interest rate used to calculate the "assumed amortization schedule" at least once every 10 years. The SCSD has applied for a partial waiver from the interest rate reset for the 2020-2021 fiscal year.

Subject to certain limited exceptions, assumed amortization for capital construction projects approved by the Commissioner of SED on and after July 1, 2011 will begin on the later of 18 months after SED approval or when the final cost report and certificate of substantial completion have been received by SED.

New York State Budget Process

The following discussion is included because all payments under the Installment Sale Agreement will be derived from State Aid to Education, which is subject to annual appropriation by the State Legislature.

The State's budget process is based on an executive budget system under which the Governor is required by the State Constitution to seek and coordinate requests from agencies of the State government, develop a "complete" plan of proposed expenditures and the revenues available to support them (a "balanced budget"), and submit a budget to the State Legislature along with the appropriation bills and other legislation required to carry out budgetary recommendations. The Governor is also required by the State Finance Law to manage the budget through administrative actions during the fiscal year.

The State's fiscal year begins April 1 and ends on March 31. However, the actual "budget cycle," representing the time between early budget preparation and last-minute disbursements, begins some nine months earlier and lasts approximately 27 months, until the expiration of the State Comptroller's authority to honor vouchers against the previous fiscal year's appropriations.

Agency Budget Preparation (June–September/October)

The formal budget cycle begins when the Budget Director (the "**Budget Director**") of the Division of the Budget of the State (the "**Division of the Budget**") issues a policy memorandum — the "call letter" — to agency heads. The call letter outlines, in general terms, the Governor's priorities for the coming year, alerts the Issuer heads to expected fiscal constraints and informs agencies of the schedule for submitting requests to the Division of the Budget.

Division of the Budget Review (September/October–December)

Agencies typically submit their budget requests to the Division of the Budget in September or October, with copies provided to the legislative fiscal committees. Examination units within the Division then analyze the requests of agencies for which they have responsibility. In November, the Budget Director conducts a series of constitutionally authorized "formal" budget hearings, giving agency heads an opportunity to present and discuss their budget requests and giving the staff of the Division of the Budget and the Governor's office an "on-the-record" opportunity to raise critical questions on programs, policies and priorities.

Through late November, the Division of the Budget's examiners transform agency requests into preliminary budget and personnel recommendations which are reviewed in detail with the Budget Director. The staff also prepares the appropriation bills and any other legislation required to carry out these recommendations. By early December, the Division of the Budget will normally have completed its recommendations on both revenues and expenditures, and presented them to the Governor and the Governor's staff. Budget staff then prepares the tables and the narrative that accompany each agency budget, and the descriptions and forecasts of individual revenue sources.

The Governor's Decisions (November–January)

The Governor and staff, who are also preparing the annual message to the State Legislature (the "State-of-the-State" message which the Governor presents to the State Legislature when it convenes in January), are conversant with the budget throughout its development.

Legislative Action (January–March)

The Governor typically submits the Executive Budget to the Legislature in mid-January or following a gubernatorial election year, by February 1, along with the related appropriation, revenue and other budget bills concerning State operations, aid to localities, capital projects and debt service. The State's Five-Year Capital and Financing Plan is also submitted with the Executive Budget. Within 10 days, the Division of the Budget provides the State Legislature with additional financial information supporting the Executive Budget. A three-year financial projection is submitted no later than 30 days following submission of the Executive Budget.

The Legislature, primarily through its fiscal committees - Senate Finance and Assembly Ways and Means - then analyzes the Executive spending proposals and revenue estimates, holding public hearings on major programs and seeking further information from the staffs of the Division of the Budget and other State agencies. Following that review, the State Legislature acts on the appropriation bill submitted with the Executive Budget to reflect its decisions.

The appropriation bills, except for those items which were added by the State Legislature and the appropriation for the State Legislature and Judiciary, become law without further action by the Governor. The Governor must approve or disapprove all or parts of the appropriation bills covering the State

Legislature and Judiciary and may use the line item veto to disapprove items added by the State Legislature. As provided in the State Constitution, the State Legislature may override the Governor's veto by the vote of two-thirds of the members of each house. The passage of the appropriation bills provides a legal foundation for the disbursement of funds during the new fiscal year.

Budget Execution (March)

At this point the budget process enters a new phase - budget execution. As a first step, the Division of the Budget approves "certificates of allocation" informing the State Comptroller that accounts may be established as specified in the certificates and that vouchers drawn against the accounts may be honored.

In addition, the Division of the Budget keeps a close watch throughout the year on the flow of revenue and the pattern of expenditures against its projections. This information is reflected in quarterly updates of the Financial Plan which are provided to the State Legislature, as required by law, in April (or as soon as practicable after budget enactment), July, October and with the Executive Budget for the ensuing year.

Possible Delays in Budget Enactment

Any delay in adoption of the State budget could delay the payment of State Aid to Education to municipalities and school districts in the State, including the SCSD and the City, which could, in turn, adversely affect the ability of the SCSD and the City to make Installment Purchase Payments under the Installment Sale Agreement. During the State's 2011-12 to 2019-20 fiscal years, State Aid to school districts was paid in a timely manner; however, during the State's 2020-21 fiscal year, State budgeting restrictions resulted in delayed payments of State Aid to school districts in the State. See "BONDHOLDERS' RISKS — The State's Financial Condition, Reduced State Aid, Delayed Payment and Impact of the Novel Coronavirus Pandemic"

State Aid Intercept

Statutory provisions currently exist or may hereafter be enacted which permit State and/or school aid otherwise payable to the SCSD or the City to be diverted or intercepted and applied in satisfaction of indebtedness or obligations issued or incurred for school purposes or otherwise. In addition, at the present time, other than as provided in the State Aid Depository Agreement with respect to Project Bonds, there is no stated priority for the various multiple state aid diversion and intercept claims. See "BONDHOLDERS' RISKS—Competing Claims to State Aid."

In the event the SCSD or the City fail to make an Installment Purchase Payment under the Installment Sale Agreement as a result of an Event of Nonappropriation or otherwise pursuant to the Indenture, the Issuer has appointed the Trustee as its agent and the Issuer (acting through the Trustee) shall, in accordance with the Syracuse Schools Act and the Indenture, certify such nonpayment to the State Comptroller. Such certification shall specify the amount by which such Installment Purchase Payment shall have been deficient. The Syracuse Schools Act and the Indenture provide that the State Comptroller shall, upon receipt of such certification, withhold from the SCSD and the City any state and/or school aid otherwise payable to the SCSD or the City to the extent of the amount so stated in such certification as not being made, and shall immediately pay over to the Trustee on behalf of the Issuer the amount so withheld based upon the Trustee's certification. Such amounts will be applied by the Trustee to the payment of Installment Purchase Payments under the Installment Sale Agreement in the priority set forth below under "The Indenture" herein. It is further provided in the Syracuse Schools Act that (x) any amount of state and/or school aid so paid by the State Comptroller shall not obligate the State to make, nor entitle the SCSD or the City to receive, any additional amounts of state and/or school aid, (y) nothing contained in the

Syracuse Schools Act shall be deemed to prevent the State from modifying, reducing or eliminating any program or programs of state and/or school aid and (z) the State shall not be obligated by the terms of the Syracuse Schools Act to maintain state and/or school aid at any particular level or amount.

The Indenture

Pursuant to the Indenture, the Issuer has assigned to the Trustee substantially all of its right, title and interest in and to the State Aid to Education and the Installment Sale Agreement (excluding the Issuer's Reserved Rights), including all rights to receive Installment Purchase Payments to pay the principal of and interest on the Series 2021A Bonds as the same become due, all to be made by the SCSD or the City pursuant to the Installment Sale Agreement and the State Aid Depository Agreement, and all deemed executory only to the extent of State Aid to Education, as provided above under the subheading "The Installment Sale Agreement."

A portion of the Series 2021A Bond proceeds shall be deposited in the Series 2021A Project Fund (the "***Series 2021A Project Fund***") of the Project Fund held under the Indenture. The amounts in the Series 2021A Project Fund shall be subject to a security interest, lien and charge in favor of the Trustee, for the benefit of the Series 2021A Bondholders until disbursed as provided in the Indenture. The Trustee shall apply the amounts on deposit in the Series 2021A Project Fund to the payment, or reimbursement, to the extent the same have been paid by or on behalf of the SCSD, of Project Costs for the Series 2021A Project. Pursuant to the Indenture, the Trustee is authorized to disburse from the Project Fund the amount required for the payment of Project Costs for the Series 2021A Project and is directed to issue its checks (or make wire transfers if requested by the City) for each disbursement from the Project Fund, upon a requisition submitted to the Trustee, signed by an authorized representative of the JSCB. In the event the City shall be required to or shall elect to cause the Series 2021A Bonds to be redeemed in whole, the balance in the Series 2021A Project Fund shall be deposited in the Bond Fund for application to the redemption of Series 2021A Bonds.

Notwithstanding the occurrence of an Event of Default under the Indenture, in no event shall the Series 2021A Bonds be accelerated or declared due and payable in advance of their final stated maturity.

All state and/or school aid received by the Trustee pursuant to the state and/or school aid intercept shall be ratably applied in accordance with the Indenture in the following order of priority:

first, to deposit in the Applicable Interest Account of the Bond Fund established under the Indenture to the extent of any deficiency therein,

second, to deposit in the Applicable Principal Account of the Bond Fund established under the Indenture to the extent of any deficiency therein,

third, to deposit in the Applicable Redemption Account of the Bond Fund established under the Indenture to the extent of any deficiency therein,

fourth, to satisfy any indemnification obligations of the SCSD under the Installment Sale Agreement,

fifth, to satisfy any liability insurance obligations of the JSCB or the SCSD under the Installment Sale Agreement, and

sixth, to satisfy any other obligations of the JSCB, the SCSD or the City under the Installment Sale Agreement.

In addition to the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds, the Series 2018A Bonds, the Series 2018B Bonds, the Series 2019A Bonds, the Series 2020A and the Series 2021A Bonds, it is also anticipated that future Series of Project Bonds will be ratably secured by the pledge of State Aid to Education and will be separately secured and issued pursuant to one or more Series Indentures. In order to protect the pledge of State Aid to Education by the Issuer to the Trustee pursuant to the Indenture, except with respect to the issuance of Project Bonds under a Series Indenture, the Issuer has covenanted in a Series Indenture not to create or suffer to be created, or incur or issue any evidences of indebtedness secured by, any lien or charge upon or pledge of the Trust Estate, except the lien, charge and pledge created by the Indenture and the Installment Sale Agreement. The Issuer further covenants and agrees pursuant to the Indenture that it shall enter into no agreement, indenture or other instrument, including any Series Indenture or Series Facilities Agreement, in connection with the issuance of a Series of Project Bonds under a Series Indenture which shall have the effect, directly or indirectly, of providing a greater priority or preference to the intercept of state and/or school aid under the Syracuse Schools Act; *provided, however*, that nothing contained in the Indenture shall be deemed (y) to limit or deny the ability of the Issuer or any other public entity, in connection with the issuance of another Series of Project Bonds, to pledge State Aid to Education on a parity with the pledge effected under the Indenture or (z) to require that any Series of Project Bonds issued under any other Series Indenture have the same payment dates or amortize principal on a schedule comparable to that of the Bonds Outstanding under the Indenture, or that any payment dates under a Series Facilities Agreement be the same as those under the Installment Sale Agreement.

Debt Service Reserve Fund Not Applicable to the Series 2021A Bonds

A debt service reserve fund is not being established for the Series 2021A Bonds.

Additional Bonds

So long as the Installment Sale Agreement is in effect and no Event of Default exists thereunder, one or more Series of Additional Bonds may be issued, authenticated and delivered upon original issuance under the Indenture for the purpose of: (i) financing Series 2008-2020A Facilities in connection with the Program; (ii) providing funds to repair, relocate, replace, rebuild or restore an affected Facility in the event of damage, destruction or taking by eminent domain; (iii) providing extensions, additions, rehabilitation or recreational facilities to one or more Facilities, provided such additions, rehabilitation or recreational facilities constitute a "project" within the meaning of the Act and the Syracuse Schools Act; or (iv) refunding Outstanding Bonds. Such series of Additional Bonds shall be payable from the Installment Purchase Payments under the Installment Sale Agreement. Prior to the issuance of a Series of Additional Bonds and the execution of either a Supplemental Indenture or a new Indenture in connection therewith, the City, the SCSD and the Issuer shall enter into a license agreement or lease agreement or an amendment to the License Agreement, as applicable, and the Issuer, the JSCB, the SCSD and the City shall enter into an new Installment Sale Agreement or an amendment to the Installment Sale Agreement to subject the Series 2008-2020A Facilities to the Installment Sale Agreement and to provide, among other things, that the Installment Purchase Payments payable under the Installment Sale Agreement shall be increased and computed so as to amortize in full the principal of and interest on the bonds outstanding under the Indenture including such series of Additional Bonds. In addition, the SCSD, the City, the JSCB and the Issuer shall enter into an amendment to the Tax Compliance Documents.

State Aid Depository Agreement

To facilitate the collection of State Aid and payment of Installment Purchase Payments under the Installment Sale Agreement, the Depository, the City and the SCSD have entered into the State Aid Depository Agreement. In accordance with the State Aid Depository Agreement, the City and the SCSD have instructed the State Comptroller to pay all State Aid to Education otherwise payable to SCSD or the

City directly to the State Aid Depository Fund held by the Depository under the State Aid Depository Agreement. The State Aid Depository Agreement provides for the payment of State Aid to the Trustee and each other Series Trustee, including the Series 2021A Trustee, on a Ratable Basis pursuant to which Project Bonds are outstanding under a Series Indenture.

On or before July 15 of each Fiscal Year, the City and the SCSD are required to prepare and deliver to the Depository, the Series 2021A Trustee and the Trustee a certificate (the "***State Aid Payment Certificate***") setting forth: (i) a statement that the SCSD and the City have appropriated an amount of State Aid to Education necessary to fund the Aggregate Facilities Payment Obligations (as defined in "APPENDIX B — Summary of Definitions") of the SCSD and the City for such Fiscal Year; (ii) an estimate of the total amount of State Aid to Education expected to be received during the next Collection Period and the Collection Percentage applicable to each month of such Collection Period (as such terms are defined in Appendix B hereof); and (iii) a statement, developed with the assistance of the Financial Advisor to the SCSD or a nationally recognized municipal securities underwriting firm, setting forth the long-term debt rating of each provider of a Qualified Debt Service Reserve Fund Investment Agreement by each of Fitch Ratings, Moody's and S&P. However, in the event that the SCSD and the City have not appropriated such amount of State Aid to Education in their respective adopted budgets for such Fiscal Year, the State Aid Payment Certificate for such Fiscal Year shall set forth a statement to such effect and shall not include any information regarding the collection of State Aid to Education during the Collection Period. Thereafter and not later than the end of the third business day immediately preceding March 31 of such Fiscal Year, if circumstances warrant, the City and the SCSD shall from time to time prepare and deliver to the Depository a revised State Aid Payment Certificate setting forth, as appropriate, (i) a statement that the SCSD and the City have, subsequent to adoption of the SCSD's budget for such Fiscal Year, appropriated an amount of State Aid to Education necessary to fund the Aggregate Facilities Payment Obligations of the SCSD and the City for such Fiscal Year; or (ii) a revised total amount of State Aid to Education expected to be received during the next Collection Period for such Fiscal Year and, in either case, if applicable, Collection Percentages or revised Collection Percentages applicable to the remainder of such Collection Period.

On or before November 10 of each Fiscal Year, the Trustee shall, in accordance with the provisions of the Indenture, prepare and deliver to the City, the SCSD and the Depository a certificate (the "***Base Facilities Agreement Payment Certificate***") setting forth the Net Base Facilities Agreement Payment (computed as of the immediately preceding last business day of October of such Fiscal Year) portion of the Facilities Payment Obligations due on the following April 1.

During each Collection Period, if the Depository has received a State Aid Payment Certificate with respect to such Collection Period that sets forth the statements required by clauses (i) and (ii) of the first sentence of the second paragraph under this sub-heading, the Depository shall, immediately upon receipt of any payment of State Aid to Education, withdraw such State Aid to Education from the State Aid Depository Fund and cause the amounts so withdrawn to be immediately paid in the following order of priority:

first, to the applicable Trustee for deposit in the Bond Fund established pursuant to the Applicable Indenture until the total amount of such withdrawals during each month of such Collection Period shall equal the sum of (A) the product of the Collection Percentage for such month multiplied by the Net Base Facilities Payment due the immediately following April 1 as set forth in the Base Facilities Payment Certificate most recently received by the Depository, plus (B) during the months of January, February and March, the excess of the amount that should have been deposited in the Bond Fund in the immediately preceding month of the Collection Period pursuant to the provisions of this paragraph, over the amount in fact so deposited; and

second, thereafter during each month of such Collection Period, to an applicable Trustee, if any, for deposit in the Debt Service Reserve Fund established pursuant to the related Series Indenture until the total amount of such withdrawals is equal to the Reserve Payment due, if any, as set forth in the Reserve Payment Certificate most recently received by the Depository; and

third, thereafter during each month of such Collection Period, to the General Fund of the SCSD.

In the event that any amount on deposit in the State Aid Depository Fund in any month of the Collection Period, at any time, shall be less than the amount required to be paid to a Series Trustee under the first clause or second clause above, the Depository shall make payment to the Trustee, the Series 2008A Trustee and any other Series Trustee on a Ratable Basis, in the priority indicated above. For purposes of the preceding sentence, "Ratable Basis" shall be first computed based on amounts payable to each Series Trustee under the first clause above if there is not enough in the State Aid Depository Fund to pay to each Series Trustee what is payable under the first clause above, and, if the amounts payable under the first clause have been paid in full, then computed based on the amount payable to each Series Trustee under the second clause.

Thereafter, from April 1 until the commencement of the next Collection Period, immediately upon receipt of any payment of State Aid to Education, the Depository shall withdraw such State Aid to Education from the State Aid Depository Fund and cause the amounts so withdrawn to be immediately paid to the General Fund of the SCSD.

If the Depository has not received with respect to a Collection Period for any reason a State Aid Payment Certificate that includes the statements required by clauses (i) and (ii) of the first sentence of the second paragraph under this sub-heading, the Depository, both during and after such Collection Period until the next Collection Period, shall withdraw any State Aid to Education from the State Aid Depository Fund and cause the amounts so withdrawn to be immediately paid to the General Fund of the SCSD.

Notwithstanding the provisions of the State Aid Depository Agreement providing for the flow of State Aid to Education to the Series Trustees, if the Depository receives written instructions from the Commissioner of Finance, together with an accompanying monthly payment schedule from the Commissioner of Finance indicating that, pursuant to applicable State law and, if applicable, any credit enhancement agreement to which the City is a party, State Aid to Education must be set aside in a special bank account designated in such instructions to be used only for the payment in accordance with such payment schedule for the RAN Repayment Requirement, then each month the Depository shall immediately withdraw from the State Aid Depository Fund all State Aid to Education that is received and cause the amounts so withdrawn to be immediately paid, before any further withdrawal or payment under the State Aid Depository Agreement, to the special bank account until the total amount of such withdrawals is equal to the portion of such RAN Repayment Requirement required, in accordance with such payment schedule, to be withdrawn and paid to such special bank account for such month or any prior month to the extent not paid.

Although the State Aid Depository Agreement requires an immediate transfer of State Aid to Education from the State Aid Depository Fund to the Bond Fund established under the Indenture, during the Collection Period, amounts held in the State Aid Depository Fund are not subject to the lien of the Indenture and are not pledged as security for the payment of the Series 2021A Bonds until such amounts have been transferred by the Depository to the Trustee and deposited in the Bond Fund.

Nothing shall prevent the SCSD, the City, the Depository, the Series Trustee, or the Trustee from adopting amendments or modifying the procedures for the collection, deposit and disbursement of State Aid to Education as set forth in the State Aid Depository Agreement; *provided, however*, that: (i) prior to

making any such change, the SCSD shall notify any rating agency then rating the Series 2021A Bonds or any other Series of Project Bonds of such change and that, prior to any such change becoming effective, there shall be delivered to the Depository a rating confirmation of such rating agency that the then current unenhanced rating of the Series 2021A Bonds or any other Series of Project Bonds Outstanding will not be withdrawn or reduced as a result of such change; and (ii) any change or alteration of the procedure for collection and deposit of State Aid to Education would not result in insufficient State Aid to Education being available to timely pay Facilities Payment Obligations under the Installment Sale Agreement or under any other Series Facilities Agreement.

On a monthly basis beginning on December 1 through the next succeeding March 31 the Depository will, in accordance with the State Aid Depository Agreement, transfer a portion of State Aid to Education to the Trustee sufficient to pay the annual Installment Purchase Payment under the Installment Sale Agreement due on the next succeeding April 1. In the event payments made by the Depository to the Trustee during the preceding December 1 to March 31 are not sufficient to pay the annual Installment Purchase Payment under the Installment Sale Agreement due on April 1, the Trustee will immediately certify such deficiency to the State Comptroller. The State Comptroller is then required to pay such amounts to the Trustee in accordance with the state and/or school aid intercept provisions of the Indenture and the Syracuse Schools Act in order to provide payment of debt service on the Series 2021A Bonds on the next succeeding May 1 and November 1. Installment Purchase Payments due under the Installment Sale Agreement will equal principal and interest due on the Series 2021A Bonds and are payable on each April 1. Notwithstanding the April 1 Installment Purchase Payment Date and Base Installment Purchase Payments under the Installment Sale Agreement, said agreement provides that if the SCSD fails to appropriate by November 1, 2021 (or by any subsequent November 1 that the Series 2021A Bonds remain Outstanding) State Aid Revenues in an amount sufficient to pay the Installment Purchase Payment and Base Installment Purchase Payments due on the immediately succeeding April 1 (less any amounts on deposit in the Bond Fund and available on such November 1), then: (y) the SCSD shall promptly deliver written notice of such failure to appropriate to the Issuer and the Trustee, and (z) the next succeeding April 1 payment date for the annual Installment Purchase Payment and Base Installment Purchase Payments shall instead be the November 15 immediately preceding such April 1 payment date as if that November 15 were the originally scheduled annual Installment Purchase Payment Date; and if for any reason the Installment Purchase Payment Due and Base Installment Purchase Payment Date on such November 15 is not made by such date, any such failed payment shall constitute a failure to make a payment under the Installment Sale Agreement for purposes of the Installment Sale Agreement, the Syracuse Schools Act and the State Aid intercept implementing provisions of the 2021A Indenture.

Limited Obligations of the Issuer

THE SERIES 2021A BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM STATE AID TO EDUCATION PAYABLE BY THE SCSD AND THE CITY UNDER THE INSTALLMENT SALE AGREEMENT AND THE PLEDGE OF CERTAIN FUNDS INCLUDING THE BOND FUND UNDER THE INDENTURE. IN THE EVENT THE SCSD OR THE CITY FAILS TO MAKE AN INSTALLMENT PURCHASE PAYMENT UNDER THE INSTALLMENT SALE AGREEMENT, THE SYRACUSE SCHOOLS ACT AND THE INDENTURE PROVIDE THAT, UPON RECEIPT BY THE STATE COMPTROLLER OF A CERTIFICATE FROM THE TRUSTEE ON BEHALF OF THE ISSUER AS TO THE AMOUNT OF SUCH FAILED PAYMENT, THE STATE COMPTROLLER SHALL WITHHOLD ANY STATE AID TO EDUCATION FROM THE SCSD AND THE CITY PAYABLE THERETO TO THE EXTENT OF THE AMOUNT SO STATED IN SUCH CERTIFICATE AS NOT HAVING BEEN MADE, AND SHALL IMMEDIATELY PAY OVER TO THE TRUSTEE ON BEHALF OF THE ISSUER THE AMOUNT SO WITHHELD. THE OBLIGATION OF THE SCSD AND THE CITY UNDER THE INSTALLMENT SALE AGREEMENT TO PAY INSTALLMENT PURCHASE PAYMENTS IS NOT A GENERAL OBLIGATION OF THE SCSD OR

THE CITY AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWERS OF THE CITY IS PLEDGED TO THE PAYMENT OF INSTALLMENT PURCHASE PAYMENTS UNDER THE INSTALLMENT SALE AGREEMENT. THE OBLIGATIONS OF THE SCSD AND THE CITY UNDER THE INSTALLMENT SALE AGREEMENT TO PAY INSTALLMENT PURCHASE PAYMENTS IN ANY FISCAL YEAR OF THE SCSD OR THE CITY CONSTITUTE A CURRENT EXPENSE OF THE SCSD FOR SUCH FISCAL YEAR AND SHALL NOT CONSTITUTE AN INDEBTEDNESS OR MORAL OBLIGATION OF THE SCSD, THE CITY OR THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR OTHER LAWS OF THE STATE. THE ONLY SOURCES OF MONEYS AVAILABLE FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2021A BONDS ARE BOND PROCEEDS SET ASIDE TO FUND CAPITALIZED INTEREST, INSTALLMENT PURCHASE PAYMENTS MADE BY THE SCSD AND THE CITY UNDER THE INSTALLMENT SALE AGREEMENT TO THE EXTENT OF STATE AID TO EDUCATION APPROPRIATED BY THE STATE AND AVAILABLE TO THE SCSD AND/OR THE CITY AND APPROPRIATED BY THE CITY AND THE SCSD TO MAKE SUCH PAYMENTS, THE PLEDGE OF CERTAIN FUNDS UNDER THE INDENTURE, AND THE INTERCEPT BY THE STATE COMPTROLLER OF STATE AID TO EDUCATION PAYABLE TO THE CITY OR THE SCSD TO THE EXTENT OF ANY INSTALLMENT PURCHASE PAYMENT DEFICIENCY.

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ANNUAL INSTALLMENT PURCHASE PAYMENTS

The following table sets forth the annual Installment Purchase Payments due on April 1 of each year pursuant to the Installment Sale Agreement with respect to each series of Project Bonds after giving effect to the refunding of the Refunded Bonds.

Payment Date due April [1]	Series 2011B Installment Purchase Payments[2] [3]	Series 2017 Installment Purchase Payments	Series 2018A Installment Purchase Payments[4]	Series 2018B Installment Purchase Payments	Series 2019A Installment Purchase Payments[4]	Series 2020A Installment Purchase Payments[5]	Series 2021A Installment Purchase Payments	Total Installment Purchase Payments
2021	814,200.00	4,012,850.00	6,269,612.50	3,679,550.00	8,415,800.00	3,912,000.00		
2022	814,200.00	4,023,275.00	6,267,987.50	3,683,375.00	5,327,100.00	6,841,300.00		
2023	1,789,200.00	4,016,775.00	6,267,862.50	3,678,250.00	5,716,800.00	6,955,400.00		
2024	4,314,200.00	4,012,525.00	6,268,737.50	3,683,000.00	5,453,850.00	6,951,500.00		
2025	4,314,200.00	4,005,150.00	6,270,112.50	3,677,375.00	5,688,475.00	6,946,700.00		
2026	4,314,200.00	3,073,025.00	6,266,612.50	3,676,250.00	7,131,850.00	6,920,300.00		
2027	3,932,100.00	3,057,150.00	6,267,737.50	3,679,125.00	3,412,725.00	6,915,175.00		
2028		1,790,750.00	6,267,862.50	3,675,750.00	4,331,975.00	6,909,550.00		
2029		541,050.00	6,266,487.50	3,680,750.00	5,799,850.00	7,824,300.00		
2030		532,875.00	6,267,987.50	3,678,750.00	5,742,975.00	7,812,800.00		
2031		-	6,266,737.50	3,674,625.00	6,804,475.00	7,811,675.00		
2032		-	6,267,112.50	3,677,875.00	6,737,725.00	7,833,100.00		
2033		-	6,268,362.50	3,678,000.00	7,023,500.00	7,829,400.00		
2034		-	6,265,181.25	3,674,750.00	6,880,000.00	7,824,900.00		
2035		-	-	918,000.00	5,854,800.00	7,118,500.00	-	-
2036						7,272,100.00		
2037						117,300.00		
TOTAL	$20,292,300.00	$29,065,425.00	$87,748,303.75	$52,415,425.00	$90,321,900.00	$113,796,000.00	$	$

(1) An amount equal to the total principal and interest due on Project Bonds each May 1 and November 1 is due in full on each preceding April 1 pursuant to the respective Installment Sale Agreement.
(2) Inclusive of Mandatory Sinking Fund Payments.
(3) Exclusive of the Federal Interest Subsidy.
(4) A portion of the interest due in fiscal year 2020-21 with respect to the Series 2019A Bonds Installment Purchase Payments totaling $1,431,905 is not shown because it is capitalized.
(5) A portion of the interest due in fiscal year 2020-21 with respect to the Series 2020A Bonds Installment Purchase Payments totaling $708,320.98 is not shown because it is capitalized.

BONDHOLDERS' RISKS

The discussion herein of risks to holders of the Series 2021A Bonds is not intended as dispositive, comprehensive or definitive, but rather is intended only to summarize certain matters which could affect payment on the Series 2021A Bonds. However, holders of the Series 2021A Bonds should be aware that these matters and other potential risks and factors could materially adversely affect the receipt by the holders of payments on the Series 2021A Bonds. Other sections of this Official Statement should be referred to for a more detailed description of risks described in this Section, which descriptions are qualified by reference to any documents discussed therein. Copies of all such documents are available for inspection at the principal corporate trust office of the Trustee.

The State's Financial Condition, Reduced State Aid, Delayed Payment

The amount of State Aid to Education paid to the SCSD is dependent in large measure upon the financial condition of the State. The State regularly publishes its Annual Information Statement relating to its financial condition, as well as quarterly updates and supplements thereto.

The SCSD depends on substantial financial assistance from the State. SCSD General Fund operations for its 2019-20 fiscal year were funded 82.4% from State Aid to Education. State Aid to Education for the SCSD's General Fund for fiscal year 2020-21 was budgeted at $356.5 million, which represents a decrease of $5.8 million compared to the budgeted amount adopted for the previous fiscal year.

The total amount of State Aid to Education for all funds is comprised of Foundation Aid and a number of other State Aid to Education categories. Foundation Aid is the largest component of State Aid for the SCSD. The SCSD received Foundation Aid in the amount of $221.5 million in 2013-14, $227.9 million in 2014-15, $238.4 $238.2 million in 2015-16, $259.2 million for 2016-17, $260.0 million for the 2017-18 fiscal year, $267.0 million for the 2018-19 fiscal year, $273.9 million for the 2019-20 fiscal year, and budgeted $273.9 million for the 2020-21 fiscal year, respectively. Future reductions in Foundation Aid or other aid categories of State Aid to Education to the SCSD could adversely affect the financial condition of the SCSD.

Principal of and interest on the Project Bonds, including the Series 2021A Bonds, will be paid from State Aid to Education payable through (i) Installment Purchase Payments made by the SCSD under the Series Facilities Agreements, including the Installment Sale Agreement or (ii) from the intercept of State Aid to Education by the State Comptroller. Both methods of payment are dependent upon lawful appropriations of State Aid to Education being made each year by the State to the SCSD. No assurance can be given that present State Aid to Education levels will be maintained in the future. The Syracuse Schools Act provides that (x) any amount of State Aid to Education paid by the State Comptroller pursuant to the State Aid to Education intercept provisions of the Syracuse Schools Act shall not obligate the State to make, nor entitle the SCSD to receive, any additional amounts of State Aid to Education, (y) nothing contained in the Syracuse Schools Act shall be deemed to prevent the State from modifying, reducing or eliminating any program or programs of State Aid to Education and (z) the State shall not be obligated by the terms of the Syracuse Schools Act to maintain State Aid to Education at any particular level or amount. Financial difficulties of the State could result in reduced payments of State Aid to Education to municipalities and school districts in the State (including the SCSD) in future fiscal years. Given the SCSD's dependence on State Aid to Education (the only source of funds to make the installment purchase payments payable by the SCSD pursuant to the Series Facilities Agreements, including the Installment Sale Agreement), substantial reductions in the payment of State Aid to Education could adversely impact the SCSD's ability to pay, or timely pay, Installment Purchase Payments under the Series Facilities Agreements, including the Installment Sale Agreement, and accordingly, the payment of debt service on the Project Bonds, including the Series 2021A Bonds.

State financial difficulties may result in protracted and delayed State budget negotiations which may result in delays in the adoption of the State budget. Delays in adoption of the State budget could result in delayed payment of State Aid to Education to school districts in the State, including the SCSD. During the State's 2011-12 to 2019-20 fiscal years, State Aid to Education to school districts was paid in a timely manner; however, during the State's 2009-10 and 2020-21 fiscal years, State budgeting restrictions resulted in delayed payments of State Aid to Education to school districts in the State. In the past, adoption of a State budget has been delayed as long as four and a half months. There can be no assurance that (y) the State Legislature will continue to adopt State budgets in a timely fashion, or that (z) in the absence of such budget adoption, that the State Legislature will provide on a continuing resolution or other basis State Aid to Education to the SCSD on an interim basis.

Delay in the receipt of State Aid to Education by the SCSD could have a material adverse financial impact on the SCSD and result in a delay in the application of such State Aid to Education to the payment of Installment Purchase Payments under the Series Facilities Agreements, including the Installment Sale Agreement.

Impact of the Novel Coronavirus Pandemic

The amount of State aid to school districts is dependent in part upon the financial condition of the State. Currently, due to the COVID-19 pandemic the State has declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including requiring non-essential workers to stay at home and requiring schools to engage in online and distance learning for a certain period of time. The outbreak of COVID-19 and the steps taken by the State to address it have negatively impacted the State's economy and financial condition. The full impact of the COVID-19 pandemic upon the State is not expected to be known for some time; however, it is anticipated that the State will experience budgetary restrictions which will require certain gap-closing actions. Such actions may include, but are not limited to, reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State, including the SCSD.

The State's 2020-2021 Adopted Budget authorizes the State's Budget Director to make periodic adjustments to nearly all State spending, including State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Specifically, the legislation provides that the State Budget Director may determine whether the State's 2020-2021 budget is balanced during three "measurement periods": April 1 to April 30, May 1 to June 30, and July 1 to December 31. According to the legislation, if "a General Fund imbalance has occurred during any Measurement Period," the State's Budget Director is empowered to "adjust or reduce any general fund and/or state special revenue fund appropriation … and related cash disbursement by any amount needed to maintain a balanced budget," and "such adjustments or reductions shall be done uniformly across the board to the extent practicably or by specific appropriations as needed." The legislation further provides that prior to making any adjustments or reductions, the State's Budget Director must notify the Legislature in writing and the Legislature has 10 days following receipt of such notice to prepare and approve its own plan. If the Legislature fails to approve its own plan, the Budget Director's reductions take effect automatically.

On April 25, 2020 the New York State Division of the Budget (the "DOB") announced that the State fiscal year 2021 Enacted State Budget Financial Plan (the "Financial Plan"), projects a $13.3 billion shortfall as a direct consequence of the COVID-19 pandemic. As a result, in the absence of Federal assistance, initial budget control actions are expected to significantly reduce State spending in several areas, including "aid-to-localities," a broad spending category that includes funding for health care, K-12 schools, and higher education as well as support for local governments, public transit systems, and not-for-profits. Reduced receipts are expected to carry through each subsequent year of the four-year Financial Plan through State fiscal year 2024. Reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State, including the SCSD.

On August 13, 2020, DOB issued the Fiscal Year 2021 First Quarterly Update to the Financial Plan (the "Updated Financial Plan"). According to the Updated Financial Plan, in the absence of Federal action since enactment of the Fiscal Year 2021 budget, DOB began withholding 20 percent of most local aid payments in June, and all or a portion of these withholds may be converted to permanent reductions, depending on the size and timing of new Federal aid, if any.

In July 2020, DOB began approving General Support for Public Schools (GSPS) payments to school districts (including 3609-a General Aid, 3609-b Excess Cost Aid, and 3609-d BOCES Aid payments) at 80% of the otherwise scheduled amounts. For general fund state aid, $1,557,964 (20%) was withheld from the district's August 2020 excess cost aid payment and $23,044 (20%) was withheld from the district's November 2020 incarcerated youth payment.

On October 30, 2020 DOB announced the release of the FY 2021 Mid-Year State Budget Financial Plan Update, which projects a $14.9 billion General Fund revenue decline and a 15.3% All Funds tax receipts decline from the Budget forecast released in February, creating a total loss of nearly $63 billion through FY 2024 as a direct consequence of the COVID-19 pandemic.

In the absence of Federal funding to offset this revenue loss, the Financial plan shows the State reduced spending through September by $4.3 billion compared to FY 2020 spending over the same period. The State has done this by freezing hiring, new contracts and pay raises, and temporarily holding back 20% of most payments. Link to full report: https://www.budget.ny.gov/pubs/archive/fy21/enac/fy21-fp-myu.pdf

The State receives a substantial amount of Federal aid for education. Many of the policies that drive this Federal aid are subject to change under the incoming presidential administration and Congress. However, the State's current financial projections concerning Federal aid, and the assumptions on which they are based, are subject to revision as more information becomes available about the proposals for Federal tax policy and legislation, health care, including amendments to the Affordable Care Act, infrastructure, taxation, the Budget Control Act of 2011 (as amended), Federal regulatory reform, and other issues that may arise such as the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak.

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

School District fiscal year (2020-21): The State's 2020-2021 Enacted Budget includes a year-to-year funding increase for State aid of $95.0 million or .035% percent. Foundation Aid to school districts is frozen at the same level as the 2019-2020 fiscal year; while other aids, calculated according formulas in current law, are responsible for the increase. The State's 2020-2021 Enacted Budget includes $10 million in new funding for grants to school districts for student mental health services. It should be noted that there was an actual year-to-year decrease of State aid implemented through a reduction of each school district's State aid allocation from the 2019-2020 year. The reduction is being referred to as a "Pandemic Adjustment". However, the decrease in State aid is expected to be fully offset by an allocation received by the State of federal funds from the Cares Act. Absent the federal stimulus funds, there would have been a $1.127 billion decrease in State aid from the 2019-2020 year. In addition, the State's 2020-2021 Enacted Budget authorizes the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. DOB began withholding 20 percent of most local aid payments in June 2020.

Appropriation of and Possible Changes to State Aid to Education

Statutory provisions currently exist or may hereafter be enacted which permit state and/or school aid otherwise payable to the SCSD and/or the City to be diverted or intercepted and applied in satisfaction of indebtedness or obligations issued or incurred for school purposes or otherwise. In addition, at the

present time, other than as provided in the State Aid Depository Agreement with respect to Project Bonds, there is no stated priority for the various multiple state and/or school aid diversion and intercept claims.

Principal of and interest on the Series 2021A Bonds will be paid from State Aid to Education payable through (i) Installment Purchase Payments made by the SCSD and the City under the Installment Sale Agreement or (ii) from the intercept of state and/or school aid payable to the SCSD or the City by the State Comptroller. Both methods of payment are dependent upon lawful appropriations of State Aid to Education being made each year by the State to the SCSD and the City. No assurance can be given that present state and/or school aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce state and/or school aid could have a material adverse effect upon the SCSD, requiring either a counterbalancing increase in revenues from other sources, to the extent available, or a curtailment of expenditures. Although the State has over the past five years provided State Aid to Education at levels averaging 80% per year of the SCSD's annual budget, neither this nor any other percentage of annual State Aid to Education is guaranteed. In the event that state and/or school aid is reduced by the State in the future, such reduction would result in a diminished flow of revenues for the payment of Installment Purchase Payments by the SCSD and the City under the Installment Sale Agreement, as well as diminished state and/or school aid available to be intercepted from the State Comptroller under the Syracuse Schools Act. Further, the Syracuse Schools Act provides that (x) any amount of state and/or school aid paid by the State Comptroller pursuant to the intercept provisions of the Syracuse Schools Act shall not obligate the State to make, nor entitle the SCSD to receive, any additional amounts of state and/or school aid, (y) nothing contained in the Syracuse Schools Act shall be deemed to prevent the State from modifying, reducing or eliminating any program or programs of state and/or school aid and (z) the State shall not be obligated by the terms of the Syracuse Schools Act to maintain state and/or school aid at any particular level or amount.

Default by the SCSD and the City

No representations or assurances can be given that the SCSD or the City will perform their obligations under the Installment Sale Agreement. The obligation of the SCSD and the City to make Installment Purchase Payments under the Installment Sale Agreement is executory and dependent upon the receipt of State Aid to Education and the appropriation of such State Aid to Education by the SCSD and the City for the payment of Installment Purchase Payments under the Installment Sale Agreement. In the event State Aid to Education has been appropriated by the State to the SCSD and/or the City and either the SCSD has failed to provide for Installment Purchase Payments necessary for a fiscal year its budget, or the City has failed to appropriate such State Aid to Education, for the payment of the Installment Sale Agreement, there is no right to accelerate payments due under the Series 2021A Bonds and the sole source of payment for the Series 2021A Bonds will be the intercept of state and/or school aid by the State Comptroller. The failure of the SCSD to budget for, or the City to appropriate amounts necessary, to make Installment Purchase Payments due under the Installment Sale Agreement may result in the failure of the Issuer to make required debt service payments under the Series 2021A Bonds. In such event, the sole remedy available to the Bondholders will be the intercept of state and/or school aid by the State Comptroller.

Appropriation of Installment Purchase Payments by the City and the SCSD

The availability of Installment Purchase Payments under the Installment Sale Agreement are subject to and dependent upon lawful appropriations of State Aid to Education being made each year by the State Legislature and the City for such purposes. The Installment Sale Agreement is not a general obligation of the SCSD or the City. The obligations of the SCSD and the City under the Installment Sale Agreement to pay Installment Purchase Payments in any fiscal year of the SCSD or the City constitute a current expense of the SCSD and the City for such fiscal year and shall not constitute an indebtedness of the SCSD or the City within the meaning of any constitutional or statutory provision or other laws of the

State. Neither the Installment Sale Agreement nor any representation by any public employee or officer creates any legal or moral obligation of the City to appropriate or the SCSD or the City make moneys available for the purposes of the Installment Sale Agreement. The failure of the SCSD and the City to pay Installment Purchase Payments due under the Installment Sale Agreement may result in the failure of the Issuer to make required debt service payments under the Series 2021A Bonds. In such event, there is no right to accelerate payments due under the Series 2021A Bonds and the sole remedy available to the Bondholders will be the intercept of state and/or school aid by the State Comptroller.

Competing Claims to State Aid to Education

Direct Claims

Revenue Anticipation Notes. Revenue anticipation notes are issued by the City on behalf of the SCSD in anticipation of the receipt of State Aid to Education. Such notes are payable in the first instance from State Aid to Education in anticipation of which such revenue anticipation notes were issued. State law requires that whenever the amount of the revenue anticipation notes issued by the City on behalf of the SCSD equals the amount of State Aid to Education remaining uncollected, the City is required to set aside in an account all of such State Aid to Education thereafter received by the SCSD to retire such revenue anticipation notes.

The City issued $85,967,000 revenue anticipation notes on behalf of the SCSD on September 30, 2020 in anticipation of State Aid to Education for the 2020-21 fiscal year. Such notes are payable on July 30, 2021. The SCSD anticipates another cash flow borrowing in the fall of 2021. Over the past five fiscal years, including 2020-21, the City has issued an average of $60.4 million revenue anticipation notes each year for SCSD purposes.

The State Aid Depository Agreement provides that, notwithstanding the provisions of the State Aid Depository Agreement providing for the flow of State Aid to Education to the Series Trustee, upon receipt of written instructions to the Depository from the City indicating that, pursuant to applicable State law and, if applicable, any credit enhancement agreement to which the City is a party, State Aid to Education paid to the SCSD or the City must be set aside in a special bank account designated in such instructions to be used only for the repayment of the outstanding revenue anticipation notes issued by the City on behalf of the SCSD (the "RAN Repayment Requirement"), then each month the Depository shall immediately withdraw from the State Aid Depository Fund all State Aid to Education that is received and cause the amounts so withdrawn to be immediately paid, before any further withdrawal or payment under the State Aid Depository Agreement, to the special bank account until the total amount of such withdrawals is equal to the principal amount of such RAN Repayment Requirement then outstanding. Notwithstanding the foregoing, in the event the SCSD or the City shall fail to pay an Installment Purchase Payment under the Installment Sale Agreement, the intercept provisions of the Syracuse Schools Act and the Indenture will operate to intercept any State Aid to Education payable to the SCSD or the City to the extent of such deficiency prior to the payment of such State Aid to Education to the SCSD and/or the City in accordance with the State Aid Depository Agreement. Accordingly, such State Aid to Education will be intercepted to pay Installment Purchase Payments under the Installment Sale Agreement prior to its application by the City to the payment of outstanding revenue anticipation notes of the City. In accordance with the requirements of the Local Finance Law, it is the City's current practice to set aside in a special bank account the last State Aid to Education money received during the fiscal year. Payments to the special bank account are generally made in May and June of each year.

Expenses for Handicapped Children. The State Comptroller deducts from State Aid to Education due to the SCSD amounts required by statute to reimburse the State for certain expenditures made by the State for the education of certain blind, deaf and handicapped children in the SCSD. Such expenditures were approximately $0.4 million for 2015-16 fiscal year, $0.7 million for 2016-17, $1.2 million for 2017-18, $0.9 million for 2018-19, $0.9 million for 2019-20, and $1.15 million has been included in the 2020-21 budget, respectively, for such expenditures.

Deductions for TRS Payments. TRS contributions are paid as a reduction in State Aid to Education payments due September 15, October 15 and November 15 of the succeeding fiscal year. Any deficiency or excess in TRS contributions are settled on a current basis in the month of January. For the 2018-19 and 2019-20 fiscal years, TRS contributions were $18.0 million and $20.2 million, respectively. For 2020-21, $17.5 million was budgeted in the General Fund for this purpose.

Contingent Claims.

State Finance Law Section 99-b. In the event of a default in the payment of the principal of and/or interest on outstanding general obligation indebtedness of the SCSD, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, State Aid to Education and assistance to the SCSD and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of such general obligation indebtedness for SCSD purposes. The SCSD is wholly dependent upon the City for taxation and debt issuance. As measured by the State Constitution and the Local Finance Law, as of December 23, 2020, the City has a total outstanding net indebtedness of $141,793,000 (excluding $49,038,930 in water debt, $19,053,268 in budgetary appropriations, $46,000,000 revenue anticipation notes issued against City revenues, $85,967,000 revenue anticipation notes issued against SCSD revenues, and $3,574,221in debt reserves), which represents 33.49% of the City's debt limit. Excluding revenue anticipation notes, the SCSD's share of outstanding City net debt is $21,214,000 (or 14.9%), as of December 23, 2020. As of December 23, 2020, $21,214,000 outstanding bonds and $85,967,000 outstanding revenue anticipation notes issued for school purposes benefit from the Section 99-b statutory intercept mechanism for State Aid to Education.

The Series 2021A Bonds are not general obligation indebtedness of the City and accordingly do not benefit from the Section 99-b intercept.

Charter School Delinquencies. Pursuant to the Charter Schools Act, the SCSD is required to pay for the maintenance and operation of charter schools in the City. There are currently four charter schools operating in the City. Enrollments at these schools increased from 2,040 students in the 2019-20 school year to 2,186 (projected) in the 2020-21 school year. According to SCSD officials, in 2020-21 charter school funding is $13,158 per student for regular education, $6,961 per student for 20% special education, and $12,763 per student for 60% special education, for a total of approximately $30.1 million. In the 2019-20 school year, the amount of charter school funding was $13,518 per student for regular education, $6,961 per student for 20% special education, and $12,763 per student for 60% special education, for a total of $28.6 million. Increases are due to increases in expected charter school enrollment. In the event the SCSD fails to make any required payment for the maintenance or operation of charter schools, the State Comptroller may deduct such delinquent amounts from State Aid to Education otherwise payable to the SCSD and pay such amount to the charter schools.

Failure to Comply with Regulations. Payment of State Aid to Education may be withheld due to the failure of the City or the SCSD to comply with various requirements of State law or the regulations of the Commissioner of Education relating to instructional programs, programs for the handicapped or other matters or the failure of the City to pay debt service on obligations issued for school purposes.

The State's 2019-20 enacted budget links payment of school aid increases for 2020-21 to submission of Budget Transparency Reporting . The amount of total State Aid to Education budgeted to be received by the SCSD in fiscal year ending June 30, 2021 is $356.5 million, which is a decrease of $5.8 million, or 1.6%, compared to the amount budgeted for the 2019-20 fiscal year. In December 2020, New York State Department of Education approved the Syracuse City School District Budget Transparency Report, therefore the current year state aid increase payment will not be delayed or withheld.

Effect on State Aid

Statutory application and intercept of State Aid to Education for any of the above purposes or any other purpose would have the result of diminishing the flow of State Aid to Education to the SCSD and the City to make Installment Purchase Payments under the Installment Sale Agreement as well as possibly diminishing state and/or school aid subject to be intercepted by the State Comptroller under the Syracuse Schools Act. Furthermore, other State financing programs incorporate similar procedures for the application or withholding of State Aid to Education as security for the repayment of obligations, or the repayment of financial assistance provided to school districts in the State. Moreover, the State has the power to (i) create additional state and/or school aid intercept provisions, (ii) reduce or eliminate state and/or school aid paid to school districts and cities in the State and (iii) create state and/or school aid intercept provisions having a prior right to intercept state and/or school aid senior to the intercept of state and/or school aid provided by the Syracuse Schools Act. If the SCSD or the City is or becomes a participant in any such State financing program or otherwise pledges state and/or school aid, the extent to which State Aid to Education would be available (x) to pay Installment Purchase Payments under the Installment Sale Agreement or (y) to be intercepted by the State Comptroller and paid to the Trustee, could be adversely affected. No assurance is given that the SCSD or the City will not participate in any such State financing programs in the future.

In addition to the foregoing, it is important to note that State Aid may, after the payment of Base Installment Purchase Payments, be applied to the payment of Additional Payments under the Installment Sale Agreement for, among other things, casualty and indemnity obligations of the SCSD, in the event of a shortfall in the insurance coverage furnished by the SCSD to the Issuer. Accordingly, a significant casualty or indemnity event could substantially reduce State Aid coverage levels in relation to Base Installment Payment obligations of the SCSD and the City.

Additional Series of Project Bonds or Series of Additional Bonds

The SCSD currently intends to finance the completion of the Program with the issuance of additional Series of Project Bonds or Series of Additional Bonds under either the Indenture and/or separate Series Indentures which will rank on a Ratable Basis with the claims of the Series 2021A Bonds to State Aid to Education under the State Aid Depository Agreement or from the State Comptroller as an intercept of state and/or school aid under the Syracuse Schools Act. See APPENDIX D — "Summary of Certain Provisions of the Installment Sale Agreement" and APPENDIX C — "Summary of Certain Provisions of the Indenture of Trust."

The issuance of additional Series of Project Bonds or Series of Additional Bonds will dilute the amount of State Aid to Education available to make Installment Purchase Payments with respect to the Series 2021A Bonds and the amount of state and/or school aid subject to intercept by the State Comptroller and payable to the Trustee. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021A BONDS." This could result in a reduction in the funds available to make payments of principal of and interest on the Series 2021A Bonds.

Insurance

The City funds a self-insurance program from operating funds to protect itself against various forms of risks. Under the program, the City is self-insured for employee medical and dental benefits, unemployment benefits, workers' compensation and general liability claims. According to City officials, for the fiscal year ended June 30, 2020, the City and SCSD paid $753,541 and $85,234 from operating funds to settle various judgments and claims, respectively. For the current fiscal year, as of December 31, 2020 the City and SCSD have paid $849,951 and $1,842 to settle various judgments and claims, respectively.

The City purchases commercial insurance for various risks and liabilities. Property insurance is utilized to protect all City and SCSD Buildings for losses in excess of $100,000.

For additional information concerning claims and insurance, see "Notes to Basic Financial Statements," Note 9, in the City's audited financial statements as of and for the year ended June 30, 2019, and "Notes to Basic Financial Statements," Note 10, in the SCSD audited financial statements as of and for the year ended June 30, 2020.

Enforceability of Remedies

The remedies available to the holders of the Series 2021A Bonds upon an event of default under the Indenture or other documents described herein are in many respects dependent upon judicial actions which are often subject to discretion and delay. Existing constitutional and statutory law and judicial decisions, including Title 11 of the United States Code, affect the payment rights of Bondholders, and the remedies specified by the federal bankruptcy laws, the Indenture and the various documents referred to herein may not be readily available or may be limited. The legal opinions to be delivered concurrently with the delivery of the Series 2021A Bonds will be qualified as to enforceability of the legal instruments by limitations imposed by bankruptcy, reorganization, insolvency, or other similar laws affecting the rights of creditors generally. In addition, such opinions will state that the availability of remedies may be limited by judicial application of principles of equity which may delay or preclude the exercise of remedies, including mortgage foreclosure.

State Aid Depository Agreement

Amounts held in the State Aid Depository Fund under the State Aid Depository Agreement are not pledged to the repayment of the Series 2021A Bonds. The State Aid Depository Fund is not a trust fund held under the Indenture and the Trustee does not and will not have a security interest in amounts held therein. In addition, the obligations of the City, the SCSD and the Depository relating to the collection, deposit and disbursement of State Aid contained in the State Aid Depository Agreement are not statutory obligations but contractual obligations of the Depository, the City, the SCSD and failure of such parties to comply with the provisions of the State Aid Depository Agreement would be actionable solely as a breach of contract matter. See also "Additional Series of Project Bonds or Series of Additional Bonds" above.

Statutory Interpretation

The City, the JSCB and the SCSD are subject to the limitations imposed by State law including, but not limited to, the Education Law, the General Municipal Law and the Local Finance Law. Generally, such laws limit the power of the City to incur indebtedness, as well as the powers of the City and the SCSD to lease or purchase facilities and enter into installment purchase agreements similar to the Installment Sale Agreement. Notwithstanding such limitations, the Corporation Counsel of the City will provide an opinion to be delivered at the Series 2021A Bond closing to the effect that the Installment Sale Agreement is valid,

binding and enforceable against the City, the JSCB and the SCSD in accordance with its terms subject to certain limitations (bankruptcy, discretion as to remedies, etc.). The Syracuse Schools Act has not been subjected to judicial review and the legal authority provided to the City, the JSCB and the SCSD by the Syracuse Schools Act could be subject to differing interpretation. Reference is hereby made to the form of opinion of Corporation Counsel of the City to be delivered upon issuance of the Series 2021A Bonds, a copy of which will be on file with the Trustee.

Absence of Public Market for the Series 2021A Bonds

The SCSD has been advised by the Underwriters that the Underwriters presently intends to make a secondary market in the Series 2021A Bonds. The Underwriters, however, are not obligated to do so, and any secondary market-making activities with respect to the Series 2021A Bonds may be discontinued at any time without notice. No assurance is given that an active public or other market will develop for the Series 2021A Bonds or as to liquidity of or the trading market for the Series 2021A Bonds. If a trading market does not develop or is not maintained, holders of the Series 2021A Bonds may experience difficulty in reselling the Series 2021A Bonds or may be unable to sell them at all. If a market for the Series 2021A Bonds develops, any such market may be discontinued at any time. If a public trading market develops for the Series 2021A Bonds, future trading prices of the Series 2021A Bonds will depend on many factors, including, among other things, prevailing interest rates, State Aid to Education paid to the SCSD and the market for similar securities. Depending on prevailing interest rates, the market for similar securities and other factors, including the financial condition of the SCSD, the Series 2021A Bonds may trade at a discount from their principal amount.

Cybersecurity

The City and the SCSD, like many other public and private entities, rely on technology to conduct their daily operations. As recipients and providers of personal, private, or sensitive information, the City and SCSD face multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer systems and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the City and SCSD, acting through their respective Departments of Information Technology, invest in various forms of cybersecurity and operational controls, including firewalls, intrusion prevention systems, advanced persistent threat detection systems, network share monitoring systems, internet content filters, email content filters, and host based detection software controls and regularly evaluate the integrity of their respective cybersecurity and controls. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against all cyber threats and attacks. The results of any such attack could impact the City's and/or SCSD's business operations or finances and possibly damage the City's and/or SCSD's digital networks and systems. Although, the costs of remedying any such damage could be substantial, both the City ($5 million per incident) and the SCSD ($5 million per incident) are insured to defray a portion of such costs.

In July 2019, the SCSD experienced a cyber-attack which resulted in certain computer files and systems becoming temporarily inoperable. In the weeks following the event, the SCSD was successful in regaining access to data and systems and is now fully operational. In conjunction with insurance brokers, auditors and cyber experts, the SCSD's Information Technology Department has modified and enhanced system security, monitoring and procedures to minimize future risks. The SCSD has insurance coverage for system events and has filed claims as appropriate. The uninsured costs to the SCSD from this cyber-attack are expected to be limited to to the $50,000 deductible amount on the applicable insurance policy.

Despite steps taken to prevent a similar incident in the future, the City and SCSD can provide no assurances that such enhancements will be completely successful, and any future attacks could materially impact the City and/or SCSD's operations and financial condition.

TAX MATTERS

Series 2021A Bonds

In the opinion of Bousquet Holstein PLLC, Bond Counsel to the Issuer, under existing law and assuming compliance by the Issuer, the SCSD and the City with certain covenants and the accuracy and completeness of certain representations made by the Issuer, the SCSD and the City, interest on the Series 2021A Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "**Code**"), and is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals. Bond Counsel is also of the opinion that, under existing statutes, interest on the Series 2021A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See APPENDIX E — "Form of Opinion of Bond Counsel for the Series 2021A Bonds."

The Code imposes various requirements that must be met in order that interest on the Series 2021A Bonds be and remain excluded from gross income for Federal income tax purposes. Failure to comply with the requirements of the Code may cause interest on the Series 2021A Bonds to be included in gross income for purposes of Federal income tax retroactive to the date of original execution and delivery of the Series 2021A Bonds, regardless of the date on which the event causing such inclusion occurs. The Issuer, the SCSD and the City have covenanted in the Indenture, the Installment Sale Agreement and the Tax Compliance Agreement to comply with the requirements of the Code and have made representations in such documents addressing various matters relating to the requirements of the Code. The opinion of Bond Counsel assumes continuing compliance with such covenants as well as the accuracy of such representations made by the Issuer, the SCSD and the City.

Certain requirements and procedures contained or referred to in the Indenture, the Installment Sale Agreement, the Tax Compliance Agreement and other relevant documents may be changed, and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of Bond Counsel. The opinion of Bousquet Holstein PLLC states that such firm, as Bond Counsel, expresses no opinion as to any Series 2021A Bond or the interest thereon if any such change occurs or action is taken upon the advice or approval of Bond Counsel other than Bousquet Holstein PLLC.

The excess of the principal amount of a maturity of a Series 2021A Bond over the issue price of such maturity of Series 2021A Bond (a "**Discount Bond**") constitutes "original issue discount," the accrual of which, to the extent properly allocable to the Beneficial Owner thereof, is excluded from gross income for Federal income tax purposes. For this purpose, the issue price of a maturity of Series 2021A Bonds is the first price at which a substantial amount of such maturity of Series 2021A Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). Further, such original issue discount accrues actuarially on a constant yield basis over the term of each Discount Bond and the basis of such Discount Bond acquired at such initial offering price by an initial purchaser of each Discount Bond will be increased by the amount of such accrued discount. Beneficial Owners of Discount Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Discount Bonds.

Series 2021A Bonds purchased, whether at original issuance of otherwise, at prices greater than the stated principal amount thereof are "Premium Bonds." Premium Bonds will be subject to requirements under the Code relating to tax cost reduction associated with the amortization of bond premium and, under certain circumstances, the Beneficial Owner of Premium Bonds may realize taxable gain upon disposition of such Premium Bonds even though sold or redeemed for an amount less than or equal to such owner's original cost of acquiring Premium Bonds. The amortization requirements may also result in the reduction of the amount of stated interest that a Beneficial Owner of Premium Bonds is treated as having received for Federal tax purposes (and an adjustment to basis). Beneficial Owners of Premium Bonds are advised to consult with their own tax advisors with respect to the tax consequences of ownership of Premium Bonds.

Prospective purchasers of the Series 2021A Bonds should be aware that ownership of, accrual or receipt of interest on, or disposition of, the Series 2021A Bonds may have collateral Federal income tax consequences for certain taxpayers, including financial corporations, insurance companies, Subchapter S corporations, certain foreign corporations, individual recipients of social security or railroad retirement benefits, individuals benefiting from the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations.

Interest paid on tax-exempt obligations is subject to information reporting to the Internal Revenue Service (the "**IRS**") in a manner similar to interest paid on taxable obligations. Interest on the Series 2021A Bonds may be subject to backup withholding if such interest is paid to a registered owner who or which (i) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (ii) has been identified by the IRS as being subject to backup withholding.

Prospective purchasers should consult their tax advisors as to any possible collateral consequences of their ownership of, accrual or receipt of interest on, or disposition of the Series 2021A Bonds. Bond Counsel expresses no opinion regarding any such collateral Federal income tax consequences.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authority and represents Bond Counsel's judgment as to the proper treatment of the Series 2021A Bonds for Federal income tax purposes. It is not binding on the IRS or the courts. Current and future legislative proposals, if enacted into law, administrative actions or court decisions, at either the Federal or state level, may cause interest on the Series 2021A Bonds to be subject, directly or indirectly, to Federal income taxation or to be subject to state income taxation, or otherwise have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2021A Bonds for Federal or state income tax purposes. The introduction or enactment of any such legislative proposals, administrative actions or court decisions may also affect, perhaps significantly, the value or marketability of the Series 2021A Bonds. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the Federal or state income tax treatment of holders of the Series 2021A Bonds may occur. Prospective purchasers of the Series 2021A Bonds should consult their own advisors regarding any pending or proposed Federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion

Bond Counsel's engagement with respect to the Series 2021A Bonds ends with the issuance of the Series 2021A Bonds and, unless separately engaged, Bond Counsel is not obligated to defend the Issuer, the SCSD, the City or the Beneficial Owners of Series 2021A Bonds regarding the tax-exempt status of the Series 2021A Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Issuer and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of

IRS positions with which the Issuer legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2021A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2021A Bonds, and may cause the Issuer, the SCSD, the City or the Beneficial Owners to incur significant expense.

APPROVAL OF LEGAL MATTERS

All legal matters incident to the authorization, issuance and delivery of the Series 2021A Bonds by the Issuer are subject to the approving opinion of Bousquet Holstein PLLC, Syracuse, New York, Bond Counsel to the Issuer. A copy of the opinion of Bond Counsel will be available at the time of delivery of the Series 2021A Bonds, the form of which is set forth in APPENDIX E — "Form of Opinion of Bond Counsel for the Series 2021A Bonds" hereto. Certain legal matters will be passed upon for Issuer by Corporation Counsel of the City. Legal matters pertaining to the JSCB will be passed upon by its special finance counsel, Trespasz & Marquardt, LLP, Syracuse, New York, and for the SCSD and the City by the Corporation Counsel of the City. Certain legal matters will be passed upon for the Underwriters (as defined herein) by their counsel, Harris Beach PLLC, Syracuse, New York.

FINANCIAL ADVISOR

Capital Markets Advisors, LLC (the "***Financial Advisor***") serves as independent financial advisor to the City and the SCSD on matters relating to debt management. The Financial Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiated instruments. The Financial Advisor has provided advice as to the plan of financing and the structuring of the Series 2021A Bonds and has reviewed and commented on certain legal documentation, including this Official Statement. The advice on the plan of financing and the structuring of the Series 2021A Bonds was based on materials provided by the City and the SCSD and other sources of information believed to be reliable. The Financial Advisor has not audited, authenticated or otherwise verified the information provided by the City or the SCSD or the information set forth in this Official Statement or any other information available to the City or the SCSD with respect to the appropriateness, accuracy or completeness of disclosure of such information or other information and no guarantee, warranty or other representation is made by the Financial Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

NO LITIGATION

It is a condition of their acceptance of the Series 2021A Bonds at closing that the Underwriters receive certificates from the Issuer, the SCSD and the City to the effect that there is no pending or, to the knowledge of the Issuer the SCSD or the City, threatened litigation against the Issuer, the SCSD or the City that in any way questions or affects the validity of the Series 2021A Bonds, the Indenture, the License Agreement, the Installment Sale Agreement, the State Aid Depository Agreement, or any proceedings or transactions relating to the issuance, sale or delivery of the Series 2021A Bonds or the execution and delivery of any of such documents or that would materially and adversely affect the Series 2021A Project.

As of the date of this Official Statement, the SCSD and the City have certified that they do not know of any fact or set of facts from which liability might arise which individually or collectively would materially and adversely affect the business or operations of the SCSD, the City or the Series 2021A Project.

VERIFICATION

The accuracy of the mathematical computations of the adequacy of the maturing principal amounts of and interest on the defeasance securities to pay when due all principal or Redemption Price

of, as the case may be, and interest on the Refunded Bonds will be verified by Causey Demgen & Moore, certified public accountants and consultants.

RATINGS

The Series 2021A Bonds have been given underlying ratings (i) by Moody's Investors Service, Inc. of "Aa3", and (ii) by Standard & Poor's of "AA" (negative outlook).

Generally, a rating agency bases its rating on information and materials furnished to it and on investigations, studies and assumptions by such rating agency. A rating is not a recommendation to buy, sell or hold the Series 2021A Bonds. There is no assurance that a rating will continue for any given period of time or will not be revised downward, suspended or withdrawn entirely by the rating agency, if, in its judgment, circumstances so warrant. Any such lowering, suspension or withdrawal of a rating might have an adverse effect upon the market price or marketability of the Series 2021A Bonds. The Underwriters, the Issuer, the SCSD and the City undertake no responsibility after the issuance of the Series 2021A Bonds to assure the maintenance of any of the ratings or to oppose any revision or withdrawal thereof.

UNDERWRITING

Raymond James & Associates, Inc. as representative of the underwriters (the "**Underwriters**") under a Purchase Contract between the Issuer and the Underwriters (the "**Purchase Contract**"), has agreed, subject to certain conditions, to purchase the Series 2021A Bonds from the Issuer at a purchase price of $_____, being the par amount of the Series 2021A Bonds, plus a premium of $_____ less an underwriters' discount of $_____, and to make a public offering of the Series 2021A Bonds. The Underwriters will be obligated to purchase all such Series 2021A Bonds if any are purchased. In connection with the public offering of the Series 2021A Bonds, the Underwriters will be receiving compensation in the amount of the Underwriters' discount.

The Underwriters' obligation under the Purchase Contract to accept delivery of the Series 2021A Bonds is subject to certain terms and conditions, including the approval of certain legal matters by counsel. The public offering price set forth on the cover page hereof may be changed from time to time at the discretion of the Underwriters.

Pursuant to the Purchase Contract, the SCSD and the City have agreed to indemnify the Underwriters and the Issuer against certain liabilities to the extent permitted by law.

SECONDARY MARKET DISCLOSURE

In order to assist the Underwriters in complying with the provisions of paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "**Rule**"), the JSCB will undertake, on behalf of the City and the SCSD, in a written agreement for the benefit of the holders and beneficial owners of the Series 2021A Bonds (the "Continuing Disclosure Agreement") to electronically file with the Municipal Securities Rulemaking Board ("**MRSB**"), as the sole nationally recognized securities repository through the MSRB's Electronic Municipal Market Access ("**EMMA**") System, on an annual basis no later than one calendar year after the end of each respective Fiscal Year of the City and the SCSD, commencing with the Fiscal Year ending June 30, 2021, certain financial and operating data concerning the City and the SCSD of the type included in this Official Statement and as specified in the Continuing Disclosure Agreement. In addition, the JSCB will undertake, on behalf of the City and the SCSD, for the benefit of the holders and beneficial owners of the Series 2021A Bonds, to electronically file with the MSRB through EMMA, in a timely manner, not in excess of ten (10) business days after the occurrence, notices of any of the events enumerated in the Rule. Any filing to be made under the Continuing Disclosure Agreement may

be made solely by transmitting such filing to the MSRB through EMMA as provided at http://emma.msrb.org. See APPENDIX F — "Form of Continuing Disclosure Agreement."

Continuing disclosure agreements which were executed by the SCSD with respect to each series of Project Bonds outstanding require the filing with each Nationally Recognized Municipal Securities Information Depository ("***NRMSIR***") or EMMA, as the case may be, of audited financial statements of the SCSD and certain financial and operating data of the type contained in the respective official statements relating to each of the respective Project Bonds outstanding no later than 360 days after the end of each respective fiscal year of the City and the SCSD. Audited financial statements for the SCSD were filed in a timely manner by the JSCB for each of the fiscal years ended June 30, 2015, 2016 and 2017. However, due to an administrative oversight, for the fiscal year ended June 30, 2014 a copy of the audited financial statements of the City and not the SCSD was filed on May 8, 2015. Although the audited financial statements of the City included information relating to the SCSD and the JSCB, a full copy of the SCSD's audited financial statements did not accompany the filing. The JSCB subsequently filed a full copy of the SCSD's 2014 audited financial statements on July 29, 2015, which was 34 days late. In addition, due to an administrative oversight, annual financial information and operating data for the fiscal years ended June 30, 2015 was filed on March 29, 2017 which was 269 days late. The operating data posted for the 2015 fiscal year included certain information in connection with fiscal 2016, but the filing itself was not labeled to include the 2016 fiscal year. On January 22, 2018, along with a material event notice, a separate document was filed in connection with the 2016 operating data. Aside from the foregoing, the JSCB is in compliance with all existing continuing disclosure agreements during the previous five years. The JSCB has established procedures to insure that future filings of continuing disclosure information will be complete and will be undertaken in a timely manner in compliance with existing continuing disclosure obligations, including transmitting such filings to the MSRB through EMMA.

On July 31, 2019, a voluntary event disclosure was filed describing a cyber-attack experienced by the SCSD which resulted in certain computer files and systems becoming temporarily inoperable. In the weeks following the event, the SCSD was successful in regaining access to data and systems and is now fully operational. (See "CYBERSECURITY").

MISCELLANEOUS

The summaries of and references herein to the Act, the Syracuse Schools Act, the Series 2021A Bonds, the Indenture, the Installment Sale Agreement, the State Aid Depository Agreement, the License Agreement, and other documents and materials are only brief outlines of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is hereby made to such documents for the complete provisions thereof, copies of which may be obtained from the Trustee.

The financial statements of the City and the financial statements of the SCSD are audited each year by the firm of Bonadio & Co., LLP, Syracuse, New York. The SCSD is reported as a blended component unit in the City's financial statements. The separate audited financial statements of SCSD, the notes thereto and the auditors' report thereon for the year ended June 30, 2020 are presented in Appendix A.

The auditors consented to the use of their audit report in this Official Statement, however, no additional auditing procedures have been performed to consider events subsequent to June 30, 2020.

Any statements in this Official Statement involving matters of opinion or forecast, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of the opinions, estimates or forecasts will be realized. This Official Statement is not to be construed as a contract or an agreement between the Issuer, the SCSD or the Underwriters and any purchaser of the Series 2021A Bonds.

The appendices hereto are an integral part of this Official Statement and must be read together with all of the foregoing statements.

The City and SCSD have reviewed the information contained herein that relates to them, their properties and operations, and has approved all such information for use within this Official Statement.

The distribution of this Official Statement to prospective purchasers of the Series 2021A Bonds by the Underwriters has been duly authorized by the Issuer, the City and the SCSD. This Official Statement is made available only in connection with the sale of the Series 2021A Bonds and may not be used in whole or in part for any other purpose.

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CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

By: /s/
Judith DeLaney
Executive Director

SYRACUSE CITY SCHOOL DISTRICT

By: /s/
Jaime Alicea
Superintendent

By: /s/
Katie Sojewicz
President of the Board of Education

CITY OF SYRACUSE

By: /s/
Benjamin R. Walsh
Mayor

January __, 2021

APPENDIX A

CERTAIN FINANCIAL INFORMATION AND AUDITED FINANCIAL STATEMENTS OF THE CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE

For the period ending June 30, 2020

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CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK

(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)

Financial Statements and Required Reports Under Uniform Guidance as of and for the Year Ended June 30, 2020

Bonadio & Co., LLP
Certified Public Accountants

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)

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Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

December 9, 2020

To the Board of Education
City School District of Syracuse, New York:

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City School District of Syracuse, New York (the School District), a blended component unit of the City of Syracuse, New York, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Revenues, Expenditures and Encumbrances - Budget and Actual - General Fund, Schedule of Changes in Total OPEB Liability and Related Ratios, Schedule of Proportionate Share of Net Pension Liability (Asset) and Schedule of Contributions-Pension Plans be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds; the Capital Projects Fund – Schedule of Project Expenditures; and the Net Investment in Capital Assets are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Non-major Governmental Funds and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Capital Projects Fund – Schedule of Project Expenditures and the Net Investment in Capital Assets have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2020, on our consideration of the City School District of Syracuse, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Bonadio & Co., LLP

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020

The purpose of the discussion and analysis of the Syracuse City School District's (the School District) financial performance is to provide the reader with an overall review of the School District's financial activities including its blended component unit, Joint Schools Construction Board (JSCB) for the year ended June 30, 2020 based on currently known facts, decisions, or conditions. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. To enhance their understanding of the School District's financial performance, readers should refer to the basic financial statements and the notes to the basic financial statements which immediately follow this section.

FINANCIAL HIGHLIGHTS

Government-wide Statement Overview

- During the year the School District provided program services at a net expense of $385.4 million of which it received $371.1 million from State and Federal sources. The balance was funded by taxes and other miscellaneous revenue sources.

- The School District's combined net position for all activities increased by $52.7 million as a result of this year's operations.

- At June 30, 2020, combined net position for all activities was a deficiency of $347.7 million mainly as a result of recognizing other postemployment benefits (OPEB) liability of $288.1 million.

- At June 30, 2020, combined capital assets, net of depreciation were $426.9 million.

- The combined depreciation expense for all activities was $10.7 million.

- The total long-term bonds payable, as of June 30, 2020, were $339.6 million, an increase of $63.8 million from the prior year.

Fund Financial Statement Overview

- The total revenue for all governmental funds was $533.7 million which was an increase of $20.0 million or 3.9% over the 2018-2019 year.

- The final General Fund budget (including the prior year's encumbrances and amendments) of $455.0 million was an increase of $18.9 million or 4.3% over the 2018-2019 budget.

- General Fund revenues (including operating transfers in) of $439.5 million were an increase of $21.2 million or 5.1% over the prior year.

- General Fund expenditures (including operating transfers out) of $427.2 million were an increase of $12.0 million or 2.9% over the prior year.

- The General Fund's fund balance increased by $12.3 million from $62.0 million to $74.3 million due to an excess of revenues over expenditures.

USING THIS ANNUAL REPORT

This annual report consists of three components: MD&A, the basic financial statements, and supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

- Government-wide financial statements that include the Statement of Net Position and the Statement of Activities and Changes in Net Position. These statements provide both short-term and long-term information about the activities of the School District as a whole as well as the School District's blended component unit, JSCB.

- Fund financial statements that focus on individual parts of the School District, reporting the School District's operations in more detail than the government-wide financial statements. The fund financial statements concentrate on the School District's most significant funds with all other non-major funds listed in total in one column. JSCB, a blended component unit of the School District, is presented as a major component unit in the governmental fund financial statements.

The governmental fund financial statements show how basic services such as general and special education were financed in the short-term, as well as how much remains for future spending.

Fiduciary funds statements provide information about the financial relationships in which the School District acts solely as a trustee or agent for the benefit of those outside the School District.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements including a comparison of the School District's General Fund budget to actual for the year.

Table 1, on the next page, summarizes the major features of the School District's financial statements, including the portion of the School District's activities covered and the types of information contained. The remainder of this overview section of the MD&A highlights the structure and contents of each of the statements.

USING THIS ANNUAL REPORT (Continued)

Table 1 Major Features of the Government-wide and Fund Financial Statements

		Fund Financial Statements	
	Government-wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	• Statement of Net Position • Statement of Activities and Changes in Net Position	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/ deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/ outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid (Trust Fund only)

USING THIS ANNUAL REPORT (Continued)

Government-wide Financial Statements

One of the most fundamental and key questions relative to any School District is *How did we do financially during the course of this past year?* To help answer this question, the Statement of Net Position and the Statement of Activities and Changes in Net Position provide information on the School District as a whole using accounting methods similar to those used by private-sector companies. These statements present a summary of assets, deferred outflows of resources, liabilities and deferred inflows of resources as well as revenues and expenses using the accrual basis of accounting similar to those methods used by private-sector companies. All of the current year's revenues and expenses are accounted for in the Statement of Activities and Changes in Net Position regardless of when cash is received or paid.

The two government-wide statements report the School District's net position and how it has changed. Net Position - the difference between the School District's assets and deferred outflows of resources and the School District's liabilities and deferred inflows of resources - is one way to measure the School District's financial health or position.

- Over time, increases or decreases in the School District's net position are an indicator of whether its financial situation is improving or deteriorating, respectively.

- To assess the School District's overall health, you need to consider additional non-financial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

In the Government-wide Statement of Net Position and the Statement of Activities and Changes in Net Position, the School District's activities are shown as Governmental Activities. The majority of the School District's basic programs and services are reported here, including general and special education, pupil transportation, and administration. Property taxes and State formula aid finance most of these activities.

Fund Financial Statements

The Fund Financial Statements provide more detailed information about the School District's funds, focusing on the most significant or major funds, rather than the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.

- The School District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

USING THIS ANNUAL REPORT (Continued)

Fund Financial Statements - (Continued)

The School District has three types of activities:

- Governmental Funds: Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the School District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

- Fiduciary Funds: The School District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities fund. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. These funds are not reflected in the government-wide financial statements because these assets are not available to finance the School District's operations.

- Blended Component Unit: The School District includes one separate legal entity in this report - JSCB. JSCB is a joint venture between the School District and the City of Syracuse (The City). JSCB is authorized to act as an agent to enter into contracts on behalf of the School District and the Common Council of the City of Syracuse, New York for the design, construction, reconstruction and financing of educational facilities in the City in accordance with applicable State and Local laws. JSCB has a fiscal year which ends June 30.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Our analysis below focuses on the net position (Table 2) and the changes in net position (Table 3) of the School District's governmental activities.

In Table 2, total governmental assets increased by $103.8 million, or 15.8%. The District's investment in capital assets increased $74.4 million with JSCB Phase II renovations continuing at several schools, reaching completion at Frazer Pre-K – 8 and beginning at an additional four schools this year. Cash on hand at year end was higher than in the prior year because the District issued $23.7 million in a second series of revenue anticipation notes (RAN) in March to provide surety that sufficient funds were available to meet obligations during the pandemic period. The RAN matured on July 31, 2020. In prior years, the District has paid off the annual RAN borrowing in March. The School District's proportionate share of the New York State Teachers' Retirement System's (NYSTRS) net pension asset also increased $9.2 million from $20.4 million to $29.6 million this year.

Total liabilities decreased by $260.9 million or 23.7% mainly due to a decrease of $357.0 million in the District's long term liability for other postemployment benefits (OPEB) this year. The decrease was driven by the permanent repeal of the excise tax on high cost employer-sponsored health plans, or "Cadillac Tax" in December 2019 in conjunction with savings from the District's transition to a new third party administrator for its healthcare plan and the new Medicare Advantage Prescription Drug (MAPD) plan contract pricing. This decrease was partially offset by the issuance of $80.8 million in bonds payable with a premium of $18.0 million to fund JSCB Phase II projects and the $28.5 million increase in the School District's share of the New York State and Local Employees' Retirement System's (NYSERS) pension liabilities.

Table 2 - Condensed Statement of Net Position
(In Thousands of Dollars)

	Governmental Activities 2019	Governmental Activities 2020	Percentage Change
Current and Other Assets	$ 284,809	$ 305,104	7.1%
Non-current Assets	372,982	456,497	22.4%
Total Assets	657,791	761,601	15.8%
Deferred Outflows of Resources	115,700	144,437	24.8%
Bonds Payable - Due in One Year	16,696	24,307	45.6%
Bonds Payable - Due in More Than One Year	259,096	315,307	21.7%
Other Liabilities	824,429	499,750	-39.4%
Total Liabilities	1,100,221	839,364	-23.7%
Deferred Inflows of Resources	73,653	414,334	462.5%
Net Position			
Net investments in capital assets	178,183	186,515	4.7%
Restricted	131,359	148,496	13.0%
Unrestricted (deficit)	(709,925)	(682,671)	-3.8%
Total Net Deficit	$ (400,383)	$ (347,660)	-13.2%

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Deferred outflows of $144.4 million and deferred inflows of $414.3 million, an increase of $28.7 million and $340.6 million, respectively from the prior year, were also recognized this year in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68 and 71 for the School District's share of the NYSERS and NYSTRS pensions, and OPEB liability.

The School District's combined governmental net deficit decreased by approximately $52.7 million or 13.2%. At June 30, 2020, the total liabilities exceeded the total assets by $347.7 million (net deficit).

As shown in Table 3 below, the School District's total revenues from governmental activities increased by 2.7% or $13.8 million with a $20 million increase in general fund state aid partially offset by the $11.8 million reduction in grant and food service program revenues due to the closure of schools.

The cost of all governmental programs and services decreased by 8.6% or $43.8 million mainly due to the reduction in OPEB expenses of $50.9 million caused by the change in the liability valuation, which was offset by cost increases in other areas.

Salaries increased 1.9% or $4.6 million from the prior year due to contractual salary increases and changes in staffing levels.

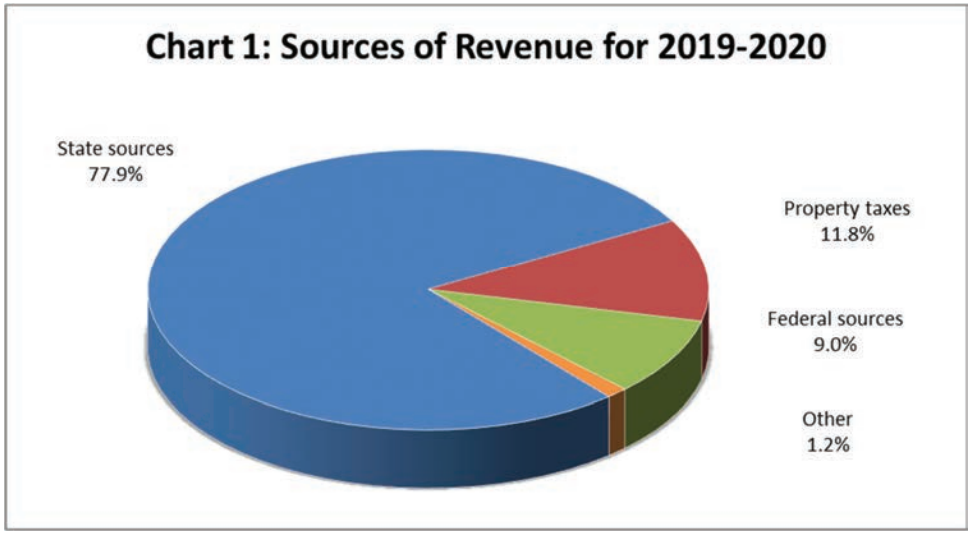
Charter School tuition expense increased $3.2 million in the current year as the general and special education tuition rates for resident students continue to increase and grade level phase-in continues at the Syracuse Academy of Science and Citizenship Charter School and OnTech Charter School.

Table 3 – Changes in Net Position from Operating Results
(In Thousands of Dollars)

	Governmental Activities 2019	Governmental Activities 2020	Percentage Change
Revenues			
Program Revenues:			
Charges for Services	$ 542	$ 427	-21.2%
Operating Grants and Contributions	87,919	77,929	-11.4%
General Revenues:			
Property Taxes and Other Taxes	60,159	61,850	2.8%
State and Local Sources	347,979	369,324	6.1%
Federal Sources	2,422	1,758	-27.4%
Use of Money and Property	2,796	1,616	-42.2%
Miscellaneous	884	3,620	309.5%
Total Revenues	502,701	516,524	2.7%
Expenses			
General Support	72,650	70,917	-2.4%
Instruction	382,758	347,325	-9.3%
Pupil Transportation	25,071	21,729	-13.3%
Community Service	1,369	1,389	1.5%
School Food Service Program	15,651	11,746	-25.0%
Interest	10,070	10,695	6.2%
Total Expenses	507,569	463,801	-8.6%
Increase (Decrease) in Net Position	$ (4,868)	$ 52,723	1183.1%

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

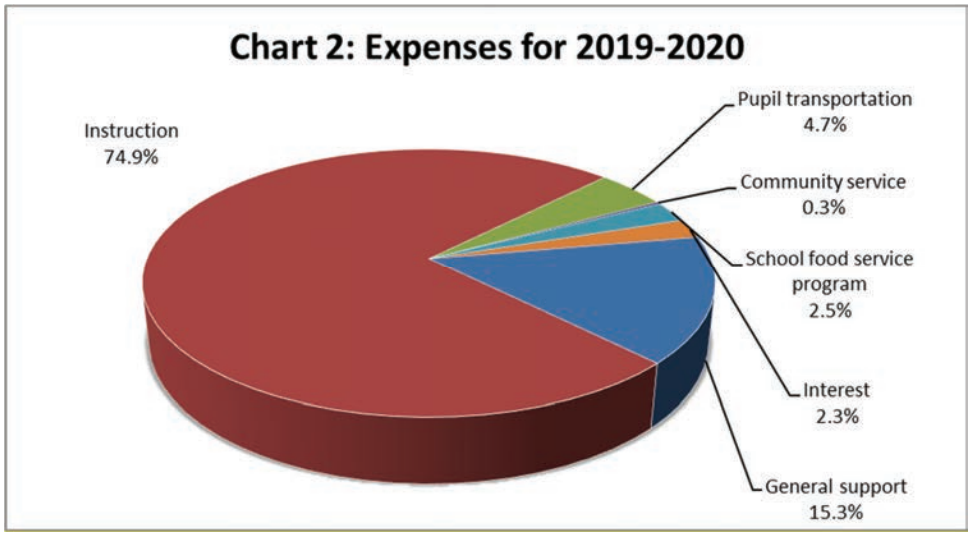
The School District is dependent on New York State and Federal sources for financing day to day operations with these two funding sources comprising 86.9% of total Governmental Activities revenue as shown in Chart 1 below. This dependency results in sensitivity to changes in the State's fiscal condition as well as changes in the State and Federal governments' funding priorities.



The School District spent 74.9% of total expenditures on Instruction including salaries and benefits for Teachers and Teaching Assistants and instructional supplies and 2.5% providing meals to students through the School Food Service Program as shown in Chart 2 below.

Pupil Transportation services to transport all eligible students who are residents of the School District to sites both within and outside of the School District utilized 4.7% of total expenditures.

General Support services such as custodial, maintenance, accounting and administrative services made up approximately 15.3% of total expenditures.



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

At June 30, 2020, the School District's governmental funds reported a combined fund balance of $220.3 million, which is an increase of $28.8 million from the prior year combined fund balance of $191.5 million. The fund balance represents the accumulated results of the current and all previous years' operations.

The total fund balance is segregated into non-spendable, restricted, committed, assigned and unassigned amounts based on nature of the restriction imposed on the School District's ability to use those net assets for day-to-day operations. More detailed information on the nature of each category of fund balance is presented in Note 1 to the financial statements. As a measure of each fund's liquidity, it may be useful to compare both its unassigned fund balance and total fund balance to total fund expenditures.

General Fund

The General Fund's fund balance at June 30, 2020, is $74.3 million, which is an increase of $12.3 million from the prior year fund balance of $62.0 million. Of the balance at June 30, 2020, $44.1 million was unassigned. The unassigned fund balance represents 10.3% of the total current year General Fund expenditures, while total fund balance represents 17.4% of that same amount.

JSCB

At June 30, 2020, JSCB, a blended component unit, reported a fund balance of $127.9 million, which is an increase of $14.7 million from the prior year fund balance of $113.2 million. The entire amount of the fund balance is reserved for use in the related JSCB construction and renovation projects to be completed throughout the School District.

GENERAL FUND BUDGETARY HIGHLIGHTS

The School District's original adopted General Fund budget was $472.6 million, consisting of the current year's operating budget of $466.7 million and prior year's encumbrances of $5.9 million. The final amended budget was reduced by $17.6 million to $455.0 million, which included $449.1 million for the current year's operations and $5.9 million for the prior year's encumbrances. Amendments made during the year included reductions to salary and benefit expenses stemming from the pandemic related closure of schools and reduction in well-care and elective medical and dental procedures.

The actual charges to appropriations (expenditures) were $27.8 million or 6.1% less than the final budget amount of $455.0 million mainly due to health and prescription costs being less than budget by $7.9 million. The School District is self-insured paying actual claims as incurred, so dollar-for-dollar savings were recognized from this year's lower than anticipated claim volume due to the pandemic as well as cost savings from implementing new Medicare Advantage Prescription Drug (MAPD) plan and high deductible healthcare plan. Vacancies caused salary costs to be $2.0 million lower and employee retirement costs were also $763 thousand less than budgeted due to the lower than planned salary expenditures and rates for the New York State Teachers' Retirement System (NYSTRS) and New York State and Local Employee's Retirement System (NYSERS).

Instructional materials costs were $8.3 million less than budget due to school closures and the placement of an order for student and staff devices of $5.0 million at yearend that will be received and expensed in 2020-21. Contract service costs were $5.2 million below budget as some contracts were suspended during the school closure period, grant funding for student supplemental support services and afterschool programing became available, lower private and public-school student placements, and some actual executed contract amounts being less than planned.

Additionally, transportation contract costs were $772 thousand less than anticipated for the year based on routing efficiencies obtained and route reduction during school closures. Charter School expenditures were $1.3 million less than budget due to lower enrollment.

GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

BOCES service costs were $661 thousand less than anticipated due to differences between the actual and budgeted level of related services to be provided for students' individualized education programs (IEPs). Utilities costs were also $2.0 million lower with natural gas electric rates at historic lows and reduced usage during school closures. These savings were partially offset by the need for an additional $1.8 million in interfund support for special aid fund grant programs to compensate for the 20% reductions in state funded grant programs' expenditure reimbursement payments caused by the State's current budgetary shortfalls.

Resources available for appropriation (revenues) excluding the use of fund balance were approximately $900 thousand, or 0.2% more than the final budgeted amount of $438.6 million. The School District had lower than anticipated State Aid due to the 20% reduction taken by the State as a result of the State's current fiscal condition and lower miscellaneous revenues due to delays in the receipt of workers' compensation reimbursements. Additional revenues were recognized in the sale of property and compensation of loss category for insurance recoveries.

For a more detailed comparison of budget to actual operating results by category, refer to the Required Supplementary Information Schedule of Revenues, Expenditures and Encumbrances – Budget and Actual for the Year Ended June 30, 2020.

CAPITAL ASSETS

At June 30, 2020, the School District had $426.9 million, net of depreciation and amortization, invested in a broad range of capital assets, including land, buildings, athletic facilities, vehicles, software and other equipment for governmental activities. This amount represents a net increase of $74.4 million or 21.1% from last year. The School District added an additional $83.0 million to construction in progress as major renovations at various schools throughout the School District were implemented under Phase II of the JSCB school reconstruction program and transferred $7.2 million from construction in progress to fixed assets for the completion of the renovations at Frazer Pre-K-8.

Table 4 - Capital Assets at Year End
(Net of Depreciation/Amortization, in Thousands of Dollars)

	Governmental Activities		Percentage
	2019	2020	Change
Land	$ 1,480	$ 1,480	0.0%
Land Improvements	2,606	2,474	-5.1%
Buildings and Improvements	254,654	253,598	-0.4%
Furniture and Equipment	3,871	4,240	9.5%
Vehicles	2,301	2,284	-0.7%
Software	1,470	824	-43.9%
Construction in Progress	86,180	162,037	88.0%
Total	$ 352,562	$ 426,937	21.1%

More detailed information about the School District's capital assets is presented in Note 4 to the financial statements.

DEBT ADMINISTRATION

At June 30, 2020, the School District had $339.6 million of bonds payable outstanding compared to $275.8 million last year, an increase of $63.8 million or 23.1%. The School District issued $80.5 million in new bonds to finance JSCB Phase II projects. This increase was partially offset by the principal payments made during the year. As the School District continues to renovate aging facilities, it is anticipated debt will continue to increase in future years.

More detailed information about the School District's long-term liabilities is presented in Note 5 to the financial statements.

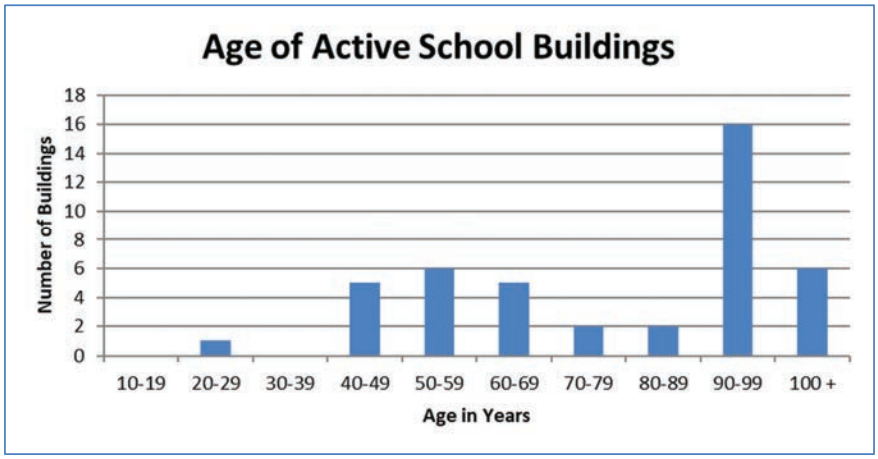
CHALLENGES FACING THE SCHOOL DISTRICT

As a dependent school district without the authority to raise taxes or issue debt, the School District is directly affected by Local and State economic conditions. Like many urban districts, the Syracuse City School District operates in an environment of fluctuating enrollment, increasing costs of operations (primarily salary, wages, employee benefits, and charter schools), and an aging infrastructure.

The COVID-19 Pandemic had a significant impact on the District's operations and financial results in the last quarter of 2019-2020 and will continue to significantly impact spending for 2020-2021. Unplanned expenditures related to protecting the health and safety of students and staff and investments in technology to support remote learning increase have both increased expenses. The Board of Education amended the 2019-20 budget to account for some of these revised expenditures and to reduce the overall budget in response to the economic downturn statewide.

Additionally, a number of policy and funding changes are being deliberated at the Federal level that could potentially impact the School District. Changes that are under consideration include: reductions and reallocations of major Federal education funding programs including funding for summer and after-school programs and teacher training, an increased focus on school choice including vouchers for private schools and additional charter school funding, modifications to the nation's health care system and changes to the Federal Medicaid program as well as Federal Stimulus funding relative to the pandemic. The School District is closely monitoring developments at the Federal level so that any changes can be incorporated into both short and long-term financial planning.

Maintaining and operating District facilities also presents a significant challenge, one which is made more difficult given the age of the school buildings. Over 60% of the School District's facilities are 80 years or older (see Table 5). In response to the need to allocate funds to meet the increasing costs of instructional activities, funding routine maintenance has been curtailed. Consequently, the amount of deferred maintenance continues to increase.



CHALLENGES FACING THE SCHOOL DISTRICT (Continued)

All these challenges impact the School District's ability to both attract and retain a high quality instructional and administrative workforce.

As we look forward there are, however, some notable initiatives that will have a positive impact on the School District's ability to achieve its mission.

In January 2006, the New York State Legislature authorized the Syracuse Cooperative School Reconstruction Act and the Joint City Schools Construction Board to act as an agent of the City and the Board of Education to implement various school reconstruction projects.

The State authorized the total cost of an initial group of projects not to exceed $225 million. However, JSCB has elected to limit the cost impact of these projects by reducing the size of the initial phase to $150 million.

During the 2009-2010 fiscal year, the first phase of roof replacement projects at Clary and Bellevue Academy at Shea were completed. During 2010-2011, the second phase of the roof replacement projects for Clary and Bellevue Academy at Shea were completed. In 2011-2012, construction began on major renovation projects at Central Tech, Dr. Weeks, H.W. Smith, and Fowler. During 2012-13, the Fowler, Dr. Weeks, and Central Tech projects reached the substantial completion stage of construction. The H.W. Smith project was substantially complete in December 2013. The PSLA at Fowler and Westside Academy at Blodgett were substantially complete at June 2018.

In April 2017, JSCB completed a refunding of its Phase I Series 2008 bonds in order to take advantage of favorable interest rates, realizing a net savings of $3.4 million in debt service costs over the remaining life of the bond.

In May 2013, the Legislature approved an amended version of the Syracuse Cooperative School Reconstruction Act (JSCB Phase II) that authorizes a second phase of up to twenty school reconstruction projects for an amount not to exceed $300 million. The JSCB Phase II bill was signed into law by the Governor in October 2013. Specific schools to be renovated are named in the legislation. Projects for these schools were to be recommended as part of a comprehensive planning process to be undertaken by the School District. The planning process was completed with JSCB approving the Comprehensive Plan in December 2014 and the Office of the State Comptroller approving in June 2015. The Phase II Financial Plan was then revised and approved by the JSCB in August of 2017, with the Office of the State Comptroller approving in January 2018.

JSCB Phase II construction commenced in mid-2018. Phase II schools include Bellevue Elementary, Ed Smith Pre-K-8, Frazer Pre-K-8, Huntington Pre-K-8, Grant Middle School, Syracuse STEM at Blodgett Middle School, Clary Middle School, Brighton Academy Middle School as well as Corcoran, Henninger, PSLA at Fowler and Nottingham High Schools. $171.2 million of bonds were previously issued to finance Phase II projects and an additional $80.5 million of Series 2020A School Facilities Revenue Bonds were issued in the current year to finance construction costs and redeem $23,000,000 of outstanding bond anticipation notes which were issued to provide initial funding for a portion of the Series 2020A projects.

To support the School District, the Syracuse City School District Educational Foundation (the Foundation), an independent, non-profit entity, was formed in 2003 with the mission to supplement, support and enrich the student experience to prepare students for a successful future. The Foundation's grants program has successfully provided funding for a wide array of educational resources such as educational technology, class programming aides, books, tutorial programs, supplies, instructional software programs, equipment, and more.

CHALLENGES FACING THE SCHOOL DISTRICT (Continued)

The City of Syracuse and County of Onondaga entered into an inter-municipal agreement on March 27, 2012 for the purpose of creating the Greater Syracuse Property Development Corporation, a not-for-profit corporation, operating as the Greater Syracuse Land Bank (Land Bank) under the New York Land Bank Act of 2011. The purpose of the Land Bank is to address problems regarding vacant and abandoned property in a coordinated manner and to further foster the development of such property and promote economic growth through the return of vacant, abandoned, and tax-delinquent properties to productive use. In the long term, the improvement of these properties has the potential to increase property tax assessment values and increase the related property tax levy revenue for the School District. In the short term, when a property is purchased and ownership transferred to the Land Bank, the property becomes tax exempt and the value of the property is removed from the tax levy reducing the School District's property tax revenue. The School District's property tax revenue was reduced by approximately $66 thousand in the current fiscal year for these transfers and other adjustments.

The Syracuse City School District, the City of Syracuse and the County of Onondaga also entered into an inter-municipal agreement effective July 1, 2015 consolidating the School District's purchasing functions with the City of Syracuse and the County of Onondaga. This shared services arrangement has yielded increased efficiency, accuracy and compliance as well as cost savings from bulk purchasing.

In New York, adequate and equitable funding has been challenged, resulting in a school based funding lawsuit specifically addressing the adequacy of funding for New York City based schools. Several courts, including the New York State Court of Appeals, have determined that the current funding formula in New York State does not provide adequate funding for New York City and therefore students are unable to receive a sound basic education. On November 20, 2006 the New York State Court of Appeals issued a decision indicating a lack of adequate funding for New York City Schools.

In April 2007, the New York State Legislature enacted the State Education Budget and Reform Act of 2007 (Education Act) to offer resources and aid to the highest-need students in the lowest-performing schools. The Legislature passed a budget for the 2008-09 school year that fully funded the aid increases contained in the Education Act. However, school aid was frozen in the 2009-10 budget due to the State's fiscal challenges, and remained frozen in the 2010-11 and 2011-12 school years. Modest increases in school aid were provided beginning in 2012-13 and have continued into 2018-19.

In February 2014, New Yorkers for Students' Educational Rights (NYSER) filed a lawsuit (*NYSER v. State of New York)* on behalf of a group of parents and students from across the State alleging that the State is not providing sufficient funds to schools to allow for all schools to provide the required sound basic education to all students throughout the State. The New York Court of Appeals ruled on this lawsuit in June 2017 determining that the lawsuit can only move forward to trial on behalf of students in New York City and Syracuse, as opposed to all students, because the lawsuit alleged specific deficiencies in these specific districts.

Also, ongoing is *Maisto v. State,* filed in 2008 by parents and students in eight small city school districts in New York alleging that the State is not providing sufficient funding to these districts to provide the required sound basic education to their students. In October 2017, the New York Court of Appeals reversed the original 2016 Supreme Court ruling to dismiss this case, allowing for the case to return to court for a retrial.

NEXT YEAR'S BUDGET

In preparing the 2020-21 operating budget, the School District aligned funding with the goals in the Strategic Plan and new regulations and mandates.

Specifically, the budget included funding for the following priorities:

1. Engaging our families and communities. Strong school communities engender strong students, lead to academic success and prepare children for active citizenship and successful careers. We are engaging the public to participate in the budget process Districtwide and in our school buildings with a participatory budgeting campaign.

2. Embedding culturally responsive practices in all that we do, bridging the gap between what students learn in the classroom from their studies and their teachers, and what they experience in the community. Our day-to-day interactions will encourage and embrace the wonderful diversity of our school communities.

3. Providing dynamic, rigorous curriculum and instruction, which includes personalized learning at every grade level to ensure our students graduate prepared for a successful transition into higher education, careers, and active citizenship. These initiatives span all grades from an Early Literacy Initiative for our youngest learners to expanding our Career and Technical Education (CTE) Programs for high school students.

4. Recruiting, developing, supporting, and retaining the most effective diverse staff who play a vital role in the growth and success of our children. We are strengthening partnerships with teacher prep programs, investing in high-quality professional development and opening a CTE pathway for urban teachers to grow our own future teacher and leader staff with SCSD graduates.

5. Safety and Security of children and staff is paramount. We are exploring ways to increase security in our buildings and we are expanding transportation to all K-8 students down to one mile, which will increase the number of students who are eligible for busing. This initiative includes additional busing for our Kindergarten through 8th grade students residing between one and one- and one-half miles from their schools.

The School District continues to face several challenges that require increased levels of spending. Those include school receivership requirements, extended learning time and community schools initiatives, alternative education programming and systems of support, enhanced career and technical education programs, an increase in educational accountability, growing charter school enrollment including the recent opening of two new charter schools, supporting both hybrid and virtual teaching and learning, ensuring adequate supplies and equipment to ensure safe and healthy schools and an overall increase in the School District's operating costs.

The School District's portion of the Property Tax Levy including STAR revenue remained the same as the 2019-20 amended budget amount and State Aid decreased by approximately 1.6%. The budget includes $17.6 million in appropriated fund balance.

In order to balance the budget, the School District will apply for a special apportionment provided pursuant to the New York State Laws of 2019 which allows school districts to accrue a portion of their subsequent year's State aid into the current fiscal year.

The School District, in conjunction with the City of Syracuse, continues to aggressively manage its spending and evaluate opportunities for increased efficiency, consolidation and cost reduction.

CONTACTING THE SCHOOL DISTRICT FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact:

The Office of the Chief Financial Officer
Syracuse City School District
1025 Erie Blvd. West
Syracuse, New York 13204-2749
Fax (315) 435-6321
Telephone (315) 435-4826

Although the Joint Schools Construction Board (JSCB) is a blended component unit of the School District, JSCB issues a separate financial statement. To obtain this report, please contact:

The Commissioner of Finance
Joint Schools Construction Board
City Hall
Syracuse, New York 13202

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
ASSETS	
Pooled cash and cash equivalents held by City	$ 80,315,351
Pooled cash and cash equivalents held by School District	69,242
Pooled Restricted cash and cash equivalents held by City	3,118,790
Restricted cash and cash equivalents held by School District	144,897,509
Receivables:	
State and Federal aid	66,495,004
Due from other governments	188,153
Due from City	3,392,727
Other	4,076,373
Inventories	2,180,317
Prepaid expenditures	370,793
Net pension asset - TRS	29,560,359
Capital assets, net of accumulated depreciation/ amortization	426,936,637
Total Assets	761,601,255
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources- OPEB	24,612,143
Deferred outflows of resources- TRS Pension	94,221,013
Deferred outflows of resources- ERS Pension	25,329,252
Deferred charges	275,043
Total Deferred Outflows of Resources	144,437,451
LIABILITIES	
Payables:	
Accounts payable	16,217,887
Accrued expenses	15,973,839
Accrued payroll	1,470,113
Due to other governments	1,168,741
Accrued interest	2,920,370
Due to Fiduciary Funds	649,612
Revenue anticipation notes	23,664,000
Due to retirement systems	21,230,349
Long-term liabilities:	
Due and payable within one year:	
Bonds payable	24,307,000
Premium on bonds payable	3,615,604
Self-insured employee health plan claims	2,113,301
Self-insured workers' compensation claims	4,902,774
Due and payable in more than one year:	
Bonds payable	315,307,000
Premium on bonds payable	42,347,672
Self-insured workers' compensation claims	29,563,041
Compensated absences payable	6,569,381
Total other postemployment benefits	288,104,905
Net pension liability - ERS	39,238,629
Total Liabilities	839,364,218
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources- Lottery Aid	16,000,000
Deferred inflows of resources- TRS Pension	43,175,934
Deferred inflows of resources- ERS Pension	866,101
Deferred inflows of resources- OPEB	354,292,351
Total Deferred Inflows of Resources	414,334,386
NET POSITION	
Net investment in capital assets	186,514,874
Restricted	148,496,006
Unrestricted (deficit)	(682,670,778)
Total Net Position	$ (347,659,898)

The accompanying notes are an integral part of these statements

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

		Program Revenues		Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants & Contributions	
General support	$ 70,917,176	$ -	$ 7,279	$ (70,909,897)
Instruction	347,324,976	276,420	62,708,535	(284,340,021)
Pupil transportation	21,728,812	-	380,707	(21,348,105)
Community service	1,389,106	-	1,508,846	119,740
School food service program	11,746,051	151,076	13,323,176	1,728,201
Interest	10,694,921	-	-	(10,694,921)
Total	$ 463,801,042	$ 427,496	$ 77,928,543	(385,445,003)
GENERAL REVENUES				
General property taxes				61,161,816
Nonproperty taxes				688,347
Use of money and property				1,616,002
Sale of property and compensation for loss				1,338,843
Miscellaneous				2,281,351
State and local sources				369,323,646
Federal sources				1,758,398
Total General Revenues				438,168,403
Change in Net Position				52,723,400
Total Net Position - beginning of year				(400,383,298)
Total Net Position - end of year				$ (347,659,898)

The accompanying notes are an integral part of these statements

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
BALANCE SHEET- GOVERNMENTAL FUNDS
JUNE 30, 2020

	General	Special Aid	Joint Schools Construction Board	Nonmajor Governmental	Total Governmental Funds
ASSETS					
CASH:					
Pooled cash and cash equivalents held by City	$ 80,315,351	$ -	$ -	$ -	$ 80,315,351
Pooled cash and cash equivalents held by District	69,242	-	-	-	69,242
Pooled restricted cash and cash equivalents held by City	3,096,470	-	-	22,320	3,118,790
Restricted cash and cash equivalents held by District	-	-	144,880,470	17,039	144,897,509
RECEIVABLES:					
Due from other funds	5,255,925	-	-	16,622,782	21,878,707
State and Federal aid	39,700,959	25,437,710	-	1,356,335	66,495,004
Due from other governments	188,153	-	-	-	188,153
Due from JSCB	4,221,967	-	-	-	4,221,967
Due from the City	3,392,727	-	-	-	3,392,727
Other	482,263	3,594,110	-	-	4,076,373
INVENTORY	1,607,071	-	-	573,246	2,180,317
PREPAID EXPENDITURES	370,793	-	-	-	370,793
Total assets	$ 138,700,921	$ 29,031,820	$ 144,880,470	$ 18,591,722	$ 331,204,933
LIABILITIES					
PAYABLES:					
Accounts payable	$ 12,341,100	$ 3,402,042	$ -	$ 474,745	$ 16,217,887
Accrued expenses	3,242,717	-	12,731,122	-	15,973,839
Accrued payroll	1,239,396	126,957	-	103,760	1,470,113
Due to other governments	-	1,167,780	-	961	1,168,741
Due to other funds	-	22,528,319	-	-	22,528,319
Due to the School District	-	-	4,221,967	-	4,221,967
NOTES PAYABLE:					
Revenue anticipation notes	23,664,000	-	-	-	23,664,000
OTHER LIABILITIES:					
Due to retirement systems	21,230,349	-	-	-	21,230,349
Self-insured workers' compensation claims	1,076,823	-	-	-	1,076,823
Total liabilities	62,794,385	27,225,098	16,953,089	579,466	107,552,038
DEFERRED INFLOW OF RESOURCES					
STATE AID	1,557,964	1,773,577	-	-	3,331,541
Total deferred inflow of resources	1,557,964	1,773,577	-	-	3,331,541
FUND BALANCE					
NON-SPENDABLE	1,977,864	-	-	573,246	2,551,110
RESTRICTED	3,096,470	33,145	127,927,381	17,439,010	148,496,006
ASSIGNED	25,201,882	-	-	-	25,201,882
UNASSIGNED	44,072,356	-	-	-	44,072,356
Total fund balance	74,348,572	33,145	127,927,381	18,012,256	220,321,354
Total liabilities, deferred inflow of resources and fund balance	$ 138,700,921	$ 29,031,820	$ 144,880,470	$ 18,591,722	$ 331,204,933

The accompanying notes are an integral part of these statements

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

Amounts reported for governmental activities in the statement of net position are different because:

Total governmental fund balances	$ 220,321,354
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	426,936,637
Deferred charges recorded as incurred in the funds	275,043
GASB 68 related government wide activity	
Net pension asset	29,560,359
Deferred outflows of resources	119,550,265
Net pension liability	(39,238,629)
Deferred inflows of resources	(44,042,035)
Receivables not received within 90 days and therefore not reported in the funds	3,331,541
Accrued interest not paid and therefore not reported in the funds	(2,920,370)
Deferred inflows- OPEB	(354,292,351)
Deferred outflows- OPEB	24,612,143
Deferred inflows- Lottery Aid	(16,000,000)
Long-term liabilities, including bonds payable, compensated absences and other employee benefits, are not due and payable in the current period and therefore are not reported in the funds	(715,753,855)
Net position of governmental activities	$ (347,659,898)

The accompanying notes are an integral part of these statements

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General	Special Aid	Joint Schools Construction Board	Nonmajor Governmental	Total Governmental Funds
REVENUES					
General property taxes	$ 61,161,816	$ -	$ -	$ -	$ 61,161,816
Nonproperty taxes	688,347	-	-	-	688,347
Charges for services	276,420	-	-	-	276,420
Use of money and property	260,409	-	1,354,781	812	1,616,002
Sale of property and compensation for loss	1,337,001	-	-	1,842	1,338,843
Miscellaneous	2,281,351	-	-	-	2,281,351
State and local sources	367,645,067	31,095,694	-	431,330	399,172,091
Federal sources	1,038,271	31,736,096	720,127	12,150,143	45,644,637
Surplus food	-	-	-	862,318	862,318
Sales - School Food Service Program	-	-	-	151,076	151,076
Pass-through New York State funding from the School District	-	-	20,543,696	-	20,543,696
Total revenues	434,688,682	62,831,790	22,618,604	13,597,521	533,736,597
EXPENDITURES					
General support	68,439,209	7,500	-	7,617,377	76,064,086
Instruction	297,529,381	64,608,692	-	-	362,138,073
Pupil transportation	23,537,472	392,243	-	-	23,929,715
Community service	-	1,554,566	-	-	1,554,566
Pass-through New York State funding to JSCB	20,543,696	-	-	-	20,543,696
Debt service:					
Principal	535,000	-	11,960,000	4,735,714	17,230,714
Interest	904,842	-	12,044,799	1,204,608	14,154,249
Debt issuance costs	-	-	1,926,493	-	1,926,493
Cost of sales	-	-	-	5,469,028	5,469,028
Capital outlay	-	-	80,542,056	569,561	81,111,617
Total expenditures	411,489,600	66,563,001	106,473,348	19,596,288	604,122,237
Excess (deficiency) of revenues over expenditures	23,199,082	(3,731,211)	(83,854,744)	(5,998,767)	(70,385,640)
OTHER FINANCING SOURCES AND USES					
BANs redeemed from appropriations	-	-	535,000	-	535,000
Premium on issuance of revenue anticipation notes	145,391	-	-	-	145,391
Proceeds from debt	-	-	80,530,000	-	80,530,000
Proceeds of refunding bonds	-	-	-	235,000	235,000
Premium on issuance of debt	-	-	17,971,053	-	17,971,053
Premium on refunding bonds	-	-	-	17,798	17,798
Deposit to escrow agent	-	-	-	(252,798)	(252,798)
Operating transfers in	4,636,108	5,639,070	250,000	10,061,235	20,586,413
Operating transfers out	(15,679,392)	(2,230,679)	(720,127)	(1,956,215)	(20,586,413)
Total other sources (uses)	(10,897,893)	3,408,391	98,565,926	8,105,020	99,181,444
Excess (deficiency) of revenues and other sources over expenditures and other uses	12,301,189	(322,820)	14,711,182	2,106,253	28,795,804
Fund balance - beginning of year	62,047,383	355,965	113,216,199	15,906,003	191,525,550
Fund balance - end of year	$ 74,348,572	$ 33,145	$ 127,927,381	$ 18,012,256	$ 220,321,354

The accompanying notes are an integral part of these statements

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Net change in fund balance - Total governmental funds	$ 28,795,804
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental Activities recognize revenue based on economic resource measurement. Fund activities utilize current financial resources. Revenues that are reported in the governmental funds that are not reported as revenue in the statement of activities.	3,331,541
Capital outlays, net of disposals are expenditures in governmental funds, but are capitalized in the statement of net position.	85,072,300
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(10,696,283)
Payment of debt service principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	16,695,714
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	3,313,937
Some expenses reported in the statement of activities, such as compensated absences and other employee benefits do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	50,745,362
Pension income / (expense) resulting from GASB 68 related pension actuary reporting is not recorded as income / (expense) in the government funds, but is recorded in the statement of activities.	(26,033,922)
Payments of debt to an escrow agent are an other financing use in the governmental funds, but a debt payment decreases long-term liabilities in the statement of net position.	252,798
Proceeds from debt are an other financing source in the governmental funds, but a debt issuance increases long-term liabilities in the statement of net position.	(80,765,000)
Premiums on debt are an other financing source in the governmental funds, but are deferred and amortized over the life of the debt issued in the statement of net position.	(17,988,851)
Change in net position of governmental activities	$ 52,723,400

The accompanying notes are an integral part of these statements

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
STATEMENT OF FIDUCIARY NET POSITION- FIDUCIARY FUNDS
JUNE 30, 2020

	Private Purpose Trusts	Agency
ASSETS		
Restricted cash held by School District	$ 140,880	$ 167,137
Due from other funds	-	661,727
Total assets	140,880	828,864
LIABILITIES		
Due to other funds	12,115	-
Other liabilities	-	828,864
Total liabilities	12,115	$ 828,864
NET POSITION		
Held in trust for scholarships	$ 128,765	

The accompanying notes are an integral part of these statements

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION- FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Private Purpose Trusts
ADDITIONS	
Contributions	$ 5,628
Total additions	5,628
DEDUCTIONS	
Loss on investment	2,232
Scholarships and awards	14,085
Total deductions	16,317
Change in net position	(10,689)
Net position - beginning of year	139,454
Net position - end of year	$ 128,765

The accompanying notes are an integral part of these statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City School District of Syracuse, New York (the School District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by the School District are described below.

A. Financial Reporting Entity

The City School District of Syracuse, New York is governed by the Education Law and other laws of the State of New York. The governing body is the Board of Education. The scope of activities included within the accompanying basic financial statements are those transactions which comprise school district operations, and are governed by, or significantly influenced by, the Board of Education. Essentially, the primary function of the School District is to provide education for pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function. The financial reporting entity includes all funds, functions and organizations over which the School District Officials exercise oversight responsibility and the activities of a blended component unit, the Joint Schools Construction Board.

The reporting entity of the School District is based upon criteria set forth by GASB Statement 61, *The Financial Reporting Entity: Omnibus — an amendment of GASB Statements No. 14 and No. 34*. Under GASB Statement 61, the School District is a blended component unit of the City of Syracuse, New York (the City).

The accompanying financial statements present the activities of the School District including the Extraclassroom Activity Funds (the ECA Funds).

The ECA Funds are independent of the School District with respect to financial transactions and the designation of student management, however, the Board of Education exercises general oversight of these funds. The School District accounts for the ECA Funds in the Agency Fund. Separate audited financial statements (cash basis) of the ECA Funds can be found at the School District's business office.

Joint Schools Construction Board Blended Component Unit (JSCB)

Under GASB Statement 61, JSCB is a blended component unit of the School District based on the criteria that JSCB provides services almost exclusively to the School District. Separate audited financial statements are prepared for JSCB and reports may be obtained by writing to Joint Schools Construction Board, City Hall, Syracuse, New York 13202. JSCB has a fiscal year which ends June 30.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation

Government-wide Financial Statements:

The Statement of Net Position and the Statement of Activities present financial information about the reporting government as a whole. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The Statement of Activities presents a comparison between program expenses and revenues for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

The fund financial statements provide information about the School District's funds and blended component unit, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major governmental funds.

The School District reports the following major governmental funds and blended component unit:

General Fund
This is the School District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Special Aid Fund
This fund accounts for the proceeds of specific revenue sources, such as Federal and State grants that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds or by outside parties.

Joint Schools Construction Board (JSCB) Blended Component Unit
The JSCB is a joint venture between the School District and the City. This blended component unit is used to account for transactions associated with the design, construction, reconstruction, and financing of public educational facilities in the City. The JSCB is authorized to act as an agent to enter into contracts on behalf of the School District and the Common Council of the City of Syracuse, New York (the Council) for the construction of new educational facilities in accordance with applicable State and Local laws.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

The School District reports the following governmental funds as non-major governmental funds:

School Food Service Fund
This fund accounts for the financial transactions related to the food service operations of the School District.

Capital Projects Fund
This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. The principal sources of financing are from the sale of bonds or issuance of bond anticipation notes.

Debt Service Fund
This fund accounts for the accumulation of resources and the payment of principal and interest on long-term debt of governmental activities. Financing is provided by transfers from the General Fund and the Capital Projects Fund.

Permanent Fund
This fund is used to account for trust arrangements in which the School District is the beneficiary of the earnings on the principal.

Fiduciary activities are those in which the School District acts as trustee or agent for resources that belong to others. These activities are not included in the government-wide financial statements, because their resources do not belong to the School District, and are not available to be used. The School District reports the following fiduciary funds:

Private Purpose Trusts Fund
This fund is used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs.

Agency Fund
This fund is strictly custodial in nature and does not involve the measurement of results of operations. Assets are held by the School District as agent for various student groups or ECA Funds and for payroll or employee withholding.

C. Measurement Focus and Basis of Accounting

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the School District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

The School District considers all revenues reported in the governmental funds to be available if the revenues are collected within one hundred twenty days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

D. Revenue, Expenditures and Expenses

Property Taxes
Real property taxes are levied annually by the Council. Uncollected real property taxes are subsequently enforced by the City. An amount representing uncollected real property taxes must be transmitted by the City to the School District within two years from the return of unpaid taxes to the City. Real property taxes receivable (Due from City) expected to be collected within 120 days of year-end are recognized as revenue. Otherwise, deferred inflows offset amounts due from the City. The City guarantees 100% of the levy to the School District.

Intergovernmental Revenues - Grants
Revenues and expenditures from Federal and State grants are typically recorded in the general and special revenue funds. The School District follows the policy that an expenditure of funds is the prime factor for determining the release of grant funds; revenue is recognized at the time of the expenditure of funds. If release of grant funds is not contingent upon expenditure of funds, revenue is recorded when received or when the grant becomes an obligation of the grantor.

Program Revenues
Program revenues include charges for services, and operating/capital grants and contributions that directly relate to a function such as general support, instruction, etc.

Expenditures/Expenses
In the government-wide financial statements, expenses are classified by function for governmental activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character:

Current (further classified by function)
Debt Service
Cost of Sales
Capital Outlay

Indirect Expenses
Indirect expenses are allocated based upon a percentage of governmental fund expenditures by function.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Revenue, Expenditures and Expenses (Continued)

Interfund Transfers and Interfund Receivables and Payables
The operations of the School District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowing. The School District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

In the government-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to fiduciary funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the School District's practice to settle these amounts at a net balance based upon the right of legal offset.

Refer to Note 3 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

Restricted and Unrestricted Resources
When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Cash and Cash Equivalents

The School District's cash and cash equivalents consist of cash on hand, demand deposits, cash held by the City, cash held by fiscal agents, and short-term investments with original maturities of three months or less from date of acquisition.

JSCB's cash and cash equivalents consist of restricted cash held for project expenditures/expenses and debt service payments, and the proceeds from bond sales can only be used for the stated purpose of the borrowing. All funds are held in trust in accordance with an indenture trust agreement.

New York State (the State) law governs the School District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit at commercial banks not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Cash Equivalents (Continued)

Custodial Credit Risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. At June 30, 2020, $65,184,692 of the bank balances were uninsured and exposed to credit risk. This amount was covered by collateral held in the pledging banks' trust department.

The School District was invested only in the above-mentioned obligations and, accordingly, was not exposed to any interest rate risk.

All cash and equivalents restricted by external sources are held by the City for the benefit of the School District and are reflected on the books and records of the City.

F. Restricted Assets

Certain assets are classified on the balance sheet as restricted because their use is limited. The proceeds from bond sales can only be used for the stated purpose of the borrowing. Donations to be used toward scholarships in the Private Purpose Trusts Fund and funds supporting ECA Funds in the Agency Fund are restricted specifically for those purposes.

G. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end but not yet received. Major receivable balances for the governmental activities include grants.

In the fund financial statements, receivables in governmental funds include revenue accruals such as grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within ninety days since they would be considered both measurable and available.

H. Inventory and Prepaid Items

Inventories of food and/or supplies in the School Food Service Fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value that approximates market. Purchases of inventoriable items in other funds are recorded at cost on an average cost basis.

Prepaid items represent payments made by the School District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets (Fixed Assets)

Capital assets, which include land and land improvements, buildings and improvements, furniture and equipment and vehicles as well as intangibles such as software, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial cost of $5,000 or more and an estimated useful life in excess of two years.

Capital assets are reported at actual cost or estimated historical costs if purchased or constructed. Donated assets are reported at estimated fair market value at the time received.

The School District depreciates/amortizes capital assets using the straight-line method over the estimated useful life of the asset beginning in the first month after completion or acquisition of the asset. The range of estimated useful lives by type of asset is as follows:

Type of Asset	Estimated Useful Lives
Land improvements	20 years
Buildings and improvements	39 years
Furniture and equipment	6 -10 years
Vehicles	3 - 9 years
Software	5 -10 years

J. Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the Statement of Net Position will sometimes report a separate financial statement element, *deferred outflows of resources,* which is presented directly after assets and *deferred inflows of resources* which is presented directly after liabilities. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until then.

K. Compensated Absences

Compensated absences consist of unpaid vested annual sick leave and vacation time. Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Upon retirement, employees may contractually receive a payment based on unused accumulated sick leave. District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with governmental accounting standards, an accrual for vested sick leave and vacation time is included in the compensated absences liability at year-end. The compensated absences liability is calculated based on contractual provisions.

The liability for these compensated absences is recorded as long-term debt in the government-wide statements. In the fund financial statements, the General Fund reports only the compensated absence liability payable from expendable available financial resources. These amounts are expensed on a pay-as-you-go basis.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Other Benefits

School District employees participate in the New York State and Local Employees' Retirement System (NYSERS) and the New York State Teachers' Retirement System (NYSTRS).

In addition to providing pension benefits, the School District provides postemployment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement. Substantially all of the School District's employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the School District and the retired employee. There are currently approximately 6,300 individuals receiving benefits under the plan. The School District has recorded in the government-wide statement of net position other postemployment benefits totaling $288,104,905 as of June 30, 2020.

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums, if any, are deposited in the Debt Service Fund or JSCB, a blended component unit, and used to retire debt in the respective fund or unit. Bond issuance costs are expensed.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

N. Equity Classifications

Government-wide Statements
Equity is classified as net position and displayed in three components:

a. Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – reports net position when constraints are placed on the assets or deferred outflows of resources either by (1) external groups such as creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Restricted net position includes the following:		
General Fund	$	3,096,470
Special Aid Fund		33,145
Joint Schools Construction Board (JSCB)		127,927,381
School Food Service Fund		6,616,346
Capital Projects		9,840,463
Debt Service		965,162
Permanent Fund		17,039
Total restricted net position	$	148,496,006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Equity Classifications (Continued)

Government-wide Statements (Continued)

c. Unrestricted net position - reports the balance of net position that does not meet the definition of restricted or net investment in capital assets and is deemed to be available for general use by the School District.

Fund Statements

Classification of fund balance reflects spending constraints on resources, rather than availability for appropriation to provide users more consistent and understandable information about a governmental fund's net resources. Constraints are broken down into five different classifications: non-spendable, restricted, committed, assigned and unassigned. The classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor constraints on the specific purposes for which resources in a fund can be spent. In the fund basis statements, there are five classifications of fund balance:

a. Non-spendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory and prepaid expenses recorded in the General Fund of $1,977,864, and the inventory in the School Food Service Fund of $573,246.

b. Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The definition of restricted fund balance is the same as restricted net position.

c. Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school district's highest level of decision making authority, i.e. the Board of Education. The District did not have any committed fund balance as of June 30, 2020.

d. Assigned - Includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. The Chief Financial Officer has been authorized by the Board of Education to assign fund balance. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. As of June 30, 2020, the School District's General Fund encumbrances amounted to $7,569,139, classified as follows:

General Fund encumbrances:		
General Support	$	1,397,133
Instruction		6,055,044
Transportation		116,962
Total General Fund encumbrances	$	7,569,139

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Equity Classifications (Continued)

Fund Statements (Continued)

d. Assigned (Continued)

Appropriated fund balance designated during the budgetary process for use to fund operating expenditures in the next fiscal year is also included in Assigned Fund Balance. The School District appropriated $17,632,743 of fund balance to be used to fund fiscal year 2020-2021 operating expenditures.

e. Unassigned - Includes all other General Fund balance that does not meet the definition of the above four classifications and are deemed to be available for general use by the School District. In addition, unassigned fund balance includes any remaining negative fund balance for funds other than the General Fund.

Order of Use of Fund Balance

The School District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

O. Economic Dependency

The School District receives significant funding from the U.S. Department of Agriculture, the U.S. Department of Education, the New York State Education Department and other Federal, State, and Local sources. Curtailment of such revenue would have a significant impact on the School District's programs.

P. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

2. BUDGETS AND BUDGETARY ACCOUNTING

Budget Policies

a. The School District administration prepares a proposed budget for approval by the Board of Education and the City for the following governmental fund for which legal (appropriated) budgets are adopted: General Fund.

b. A public hearing is held upon completion and filing of the tentative budget. Subsequent to such public hearing, the budget is adopted by the Board of Education.

c. Appropriations are adopted at the program level.

d. Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the fiscal year-end unless expended or encumbered. Encumbrances lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

An annual budget is not adopted for the Special Aid Fund. Budgetary controls are established in accordance with grant agreements.

3. INTERFUND TRANSACTIONS

To improve cash management, most disbursements are made from a pooled account in the General Fund. Interfund receivables and payables exist primarily due to this cash management practice, as well as normal delays in processing interfund transfers and reimbursement. Interfund balances and transfers are short term in nature and are typically repaid in less than one year. The following schedule summarizes interfund transactions during the year ended June 30, 2020 and balances at June 30, 2020:

	Interfund		Interfund	
Fund	Receivable	Payable	Revenues	Expenditures
General	$ 9,477,892	$ -	$ 4,636,108	$ 15,679,392
Special aid	-	22,528,319	5,639,070	2,230,679
JSCB	-	4,221,967	250,000	720,127
School food service	5,758,825	-	-	1,685,302
Capital projects	9,898,795	-	4,100,000	270,913
Debt service	965,162	-	5,961,235	-
Private purpose trust	-	12,115	-	-
Agency	661,727	-	-	-
Total	$ 26,762,401	$ 26,762,401	$ 20,586,413	$ 20,586,413

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020:

	Beginning Balance at July 1, 2019	Additions/ Transfers	Disposals/ Transfers	Ending Balance at June 30, 2020
Land (not depreciable)	$ 1,480,325	$ -	$ -	$ 1,480,325
Land improvements	6,546,593	-	-	6,546,593
Buildings and improvements	474,818,134	7,348,972	-	482,167,106
Furniture and equipment	11,925,392	1,176,409	(52,243)	13,049,558
Vehicles	6,630,732	690,551	(611,254)	6,710,029
Software	7,056,842	-	-	7,056,842
Construction in progress (not depreciable)	86,180,153	83,038,110	(7,181,742)	162,036,521
Total capital assets	594,638,171	92,254,042	(7,845,239)	679,046,974
Less: Accumulated depreciation/amortization:				
Land improvements	(3,940,607)	(132,391)	-	(4,072,998)
Buildings and improvements	(220,165,575)	(8,403,919)	-	(228,569,494)
Furniture and equipment	(8,054,133)	(807,660)	52,243	(8,809,550)
Vehicles	(4,329,989)	(706,975)	611,254	(4,425,710)
Software	(5,587,247)	(645,338)	-	(6,232,585)
Total accumulated depreciation/ amortization	(242,077,551)	(10,696,283)	663,497	(252,110,337)
Capital assets, net	$ 352,560,620	$ 81,557,759	$ (7,181,742)	$ 426,936,637

All capital assets including intangibles, with the exception of land and construction in progress, are being depreciated/amortized over their estimated useful lives.

Depreciation/amortization expense was charged as follows:

Instruction	$ 8,340,735
Support Services:	
General	1,751,902
Pupil transportation	551,147
School Food Service	52,499
Total depreciation/amortization expense	$10,696,283

5. LONG-TERM INDEBTEDNESS

The School District borrows money in order to meet current operating requirements and to acquire or construct buildings and improvements. For acquisition or construction of buildings and improvements this enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. The provision to be made in future budgets for capital indebtedness represents the amount authorized to be collected in future years from taxpayers and others for liquidation of both current and long-term liabilities.

Long-term liability activity for the year ended June 30, 2020:

	Balance at July 1, 2019	Additions	Reductions	Balance at June 30, 2020	Amount due in one year	Due in more than one year
Bonds payable:						
Bonds payable	$ 275,791,697	$ 80,765,000	$ 16,942,697	$ 339,614,000	$ 24,307,000	$ 315,307,000
Premiums on bonds payable	31,607,827	17,971,053	3,615,604	45,963,276	3,615,604	42,347,672
Total bonds payable	307,399,524	98,736,053	20,558,301	385,577,276	27,922,604	357,654,672
Other liabilities:						
Compensated absences payable	6,431,273	7,483,310	7,345,202	6,569,381	-	6,569,381
Total other post-employment benefits	645,083,084	44,992,682	401,970,861	288,104,905	-	288,104,905
Self-insurance health plan claims	1,287,922	50,372,186	49,546,807	2,113,301	2,113,301	-
Self-insurance workers' compensation claims	34,558,646	4,823,148	4,915,979	34,465,815	4,902,774	29,563,041
Net pension liability	10,753,392	28,485,237	-	39,238,629	-	39,238,629
Total other liabilities	698,114,317	136,156,563	463,778,849	370,492,031	7,016,075	363,475,956
Long-term liabilities	$1,005,513,841	$ 234,892,616	$ 484,337,150	$756,069,307	$ 34,938,679	$ 721,130,628

Payments on bonds payable, with the exception of JSCB, that pertain to the School District's governmental activities are made by the Debt Service Fund. Liabilities for compensated absences, retirement, self-insurance claims, environmental remediation and judgments and claims will be liquidated by the General Fund.

Revenue and Bond Anticipation Notes Payable

The School District and JSCB may issue Revenue Anticipation Notes, Bond Anticipation Notes and Tax Anticipation Notes, in anticipation of the receipt of revenues. For governmental funds, these notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. Revenue Anticipation and Tax Anticipation Notes represent a liability that will be extinguished by the use of expendable, available resources of the fund. Bond Anticipation Notes represent a liability that will be extinguished by the use of bond proceeds when bonds are issued.

5. LONG-TERM INDEBTEDNESS (Continued)

Revenue and Bond Anticipation Notes Payable (Continued)

The School District's short-term debt activity for the year ended June 30, 2020:

	Balance at July 1, 2019	Issued	Redeemed	Balance at June 30, 2020
Revenue Anticipation Notes	$ -	$ 63,280,000	$ 39,616,000	$ 23,664,000

The JSCB's short-term debt activity for the year ended June 30, 2020:

	Balance at July 1, 2019	Issued	Redeemed	Balance at June 30, 2020
Bond Anticipation Notes	$ 23,000,000	$ -	$ 23,000,000	$ -

Bonds Payable

Bonds payable included in the accompanying Statement of Net Position represent obligations issued in the name of the City for District purposes and the City of Syracuse Industrial Development Agency for JSCB purposes. These long-term liabilities are full faith and credit debt of the School District. Appropriations are provided for redemption of the obligations and interest thereon in the budget of the School District. Bonds outstanding at June 30, 2020 consisted of the following:

Date of Issuance	Maturity Date	Interest Rate	Balance June 30, 2020
December 21, 2017	2021	3.000 - 5.000	$ 915,000
September 30, 2010	2022	2.000 - 4.000	1,920,000
June 13, 2012	2022	2.000 - 5.000	194,000
June 30, 2020	2023	5.000	235,000
December 21, 2017	2024	3.000 - 5.000	4,025,000
May 15, 2014	2025	2.000 - 5.000	3,875,000
May 28, 2015	2027	4.000 - 5.000	4,555,000
December 23, 2010	2027	3.000 - 5.000	17,380,000
July 12, 2011	2028	5.428	11,855,000
July 12, 2011	2028	5.428	15,000,000
April 20, 2017	2030	3.000 - 5.000	24,460,000
December 21, 2017	2030	3.000 - 5.000	4,585,000
June 23, 2017	2032	3.000 - 5.000	2,885,000
March 15, 2018	2034	3.250 - 5.000	64,175,000
June 20, 2018	2035	3.000 - 5.000	37,590,000
April 11, 2019	2035	4.000 - 5.000	65,435,000
March 3, 2020	2037	4.000 - 5.000	80,530,000
Total bonds outstanding			$339,614,000

5. LONG-TERM INDEBTEDNESS (Continued)

Bonds Payable (Continued)

Bonds payable as of June 30, 2020 are as follows:

Years Ending June 30:	Principal	Interest	Total
2021	$ 24,307,000	$ 16,399,263	$ 40,706,263
2022	24,242,000	14,775,541	39,017,541
2023	24,730,000	13,665,388	38,395,388
2024	25,450,000	12,562,238	38,012,238
2025	25,630,000	11,510,438	37,140,438
2026 – 2030	106,640,000	39,755,131	146,395,131
2031 – 2035	101,375,000	13,831,000	115,206,000
2036 – 2037	7,240,000	294,200	7,534,200
Totals	$ 339,614,000	$ 122,793,199	$ 462,407,199

Interest and related expenses on all debt for the year was composed of:

Interest paid - capital indebtedness	$ 14,008,858
Less: Interest accrued in the prior year	(2,839,735)
Amortization of bond premiums	(3,627,587)
Plus: Deferred loss on refunding	233,015
Interest accrued in the current year	2,920,370
Total expense	$ 10,694,921

On June 30, 2020, the School District issued $235,000 in general obligation bonds with a coupon rate of 5.00% to refund $246,983 of outstanding Series 2009 and 2010 serial bonds with interest rates of 2.50% - 5.00%. The net proceeds of $250,075 (including a premium of $17,798 and $2,723 in issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the School District's financial statements. This refunding decreased total debt service payments over the next 2 years by $7,471 resulting in an economic gain (difference between the present values of the debt service payment on the old and new debt) of approximately $6,880.

6. OPERATING LEASE COMMITMENTS AND LEASED ASSETS

The School District leases property and equipment under operating leases. Total rental expenditures on such leases for the fiscal year ended June 30, 2020 were approximately $1,025,000. The minimum future non-cancelable operating lease payments as of June 30, 2020 are as follows:

2021	$ 1,097,779
2022	779,064
2023	419,034
Thereafter	135,695
Total	$ 2,431,572

7. PENSION PLANS

New York State and Local Employees' Retirement System (NYSERS)

The School District participates in the New York State and Local Employee's Retirement System (NYSERS) also referred to as New York State and Local Retirement System (NYSERS or the System). This is a cost-sharing multiple-employer retirement system, providing retirement benefits as well as death and disability benefits. The net position of NYSERS is held in the New York State Common Retirement Fund (the Fund), established to hold all net position and record changes in plan net position allocated to NYSERS. NYSERS benefits are established under the provisions of the New York State Retirement and Social Security Law (NYS RSSL). Once an employer elects to participate in NYSERS, the election is irrevocable.

The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. NYSERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Contributions

NYSERS is noncontributory except for employees who joined the NYSERS after July 27th, 1976, who contribute 3.0% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% of their salary for their entire length of service. Under the authority of NYS RSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during NYSERS' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	NYSERS
2020	$ 5,897,634
2019	$ 5,984,280
2018	$ 5,649,960

Chapter 260 of the Laws of 2004 of the State of New York allows local employers to bond or amortize a portion of their retirement bill for up to 10 years in accordance with the following schedule:

- For State fiscal year (SFY) 2004-05, the amount in excess of 7 percent of employees' covered pensionable salaries, with the first payment of those pensions' costs not due until the fiscal year succeeding that fiscal year in which the bonding/amortization was instituted.
- For SFY 2005-06, the amount in excess of 9.5 percent of employees' covered pensionable salaries.
- For SFY 2007-08, the amount in excess of 10.5 percent of the employee's covered pensionable salaries.

7. PENSION PLANS (Continued)

New York State and Local Employees' Retirement System (NYSERS) (Continued)

This law requires all participating employers to make payments on the current basis, while bonding or amortizing existing unpaid amounts relating to the NYSERS' fiscal years ending March 31, 2005 through 2008.

Chapter 57 of the Laws of 2010 of the State of New York allows local employers to amortize a portion of their retirement bill for 10 years in accordance with the following stipulations:

- For State fiscal year 2010-11, the amount in excess of the graded rate of 9.5 percent of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.
- For subsequent State fiscal years, the graded rate will increase or decrease by up to one percent depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.
- For subsequent State fiscal years in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

This law requires participating employers to make payments on the current basis while amortizing existing unpaid amounts relating to the System's fiscal years when the local employer opts to participate in the program. All amounts due were remitted in full to NYSERS. No portion of the School District's retirement bill was amortized or bonded as of June 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2020, the School District reported a net pension liability of $39,238,629 for its proportionate share of the NYSERS net pension liability. The net pension liability was measured as of March 31, 2020, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2019. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At March 31, 2020, the School District's proportion was 0.1481789%, which was a decrease of .0035915% from its proportionate share measured at March 31, 2019.

For the year ended June 30, 2020, the School District recognized pension expense of $13,493,914. At June 30, 2020, the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,309,352	$ -
Changes in assumptions	790,080	682,221
Net difference between projected and actual earnings on pension plan investments	20,115,628	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	577,092	183,880
Contributions subsequent to the measurement date	1,537,100	-
Total	$25,329,252	$ 866,101

7. PENSION PLANS (Continued)

New York State and Local Employees' Retirement System (NYSERS) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The net amount of the District's share of balances of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended March 31:	
2021	$ 3,962,741
2022	5,794,439
2023	7,345,436
2024	5,823,435
	$ 22,926,051

The School District recognized $1,537,100 as a deferred outflow of resources related to pensions resulting from the School District's contributions made subsequent to the measurement date of March 31, 2020 which will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

Actuarial Assumptions

The total pension liability at March 31, 2020 was determined by using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total pension liability to March 31, 2020.

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary scale	4.2 percent indexed by service
Projected COLAs	1.3% compounded annually
Decrements	Developed from the Plan's 2015 experience study of the period April 1, 2010 through March 31, 2015
Mortality improvement	Society of Actuaries Scale MP-2018
Investment rate of return	6.8% compounded annually, net of investment expenses

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

7. PENSION PLANS (Continued)

New York State Local Employees' Retirement System (NYSERS) (Continued)

Actuarial Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2020 are summarized below:

Long Term Expected Rate of Return

Asset Type	Target Allocations in %	Long-Term expected real rate of return in %
Domestic Equity	36.0	4.05
International Equity	14.0	6.15
Private Equity	10.0	6.75
Real Estate	10.0	4.95
Absolute Return	2.0	3.25
Opportunistic Portfolio	3.0	4.65
Real Assets	3.0	5.95
Bonds, Cash & Mortgages	17.0	0.75
Cash	1.0	0.00
Inflation-Indexed Bonds	4.0	0.50
	100%	

Discount Rate
The discount rate used to calculate the total pension liability was 6.8%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption
The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6.8%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (5.8%) or 1% higher (7.8%) than the current rate:

	1% Decrease (5.8%)	Current Discount (6.8%)	1% Increase (7.8%)
Proportionate share of Net Pension Liability (Asset)	$ 72,013,963	$ 39,238,629	$ 9,052,408

7. PENSION PLANS (Continued)

New York State and Local Employees' Retirement System (NYSERS) (Continued)

Pension Plan Fiduciary Net Position
The components of the current-year net pension liability of the employers as of March 31, 2020 were as follows:

	Pension Plan's Fiduciary Net Position	District's proportionate share of Plan's Fiduciary Net Position	District's allocation percentage as determined by the Plan
Total pension liability	$194,596,261,000	$ 288,350,598	0.1481789%
Net position	(168,115,682,000)	(249,111,969)	0.1481789%
Net pension liability (asset)	$ 26,480,579,000	$ 39,238,629	0.1481789%
Fiduciary net position as a percentage of total pension liability	86.39%	86.39%	

New York State Teachers' Retirement System (NYSTRS)

The School District participates in the New York State Teachers' Retirement System (NYSTRS). This is a cost-sharing, multiple employer public employee retirement system. NYSTRS offers a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

The New York State Teachers' Retirement Board administers NYSTRS. NYSTRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for NYSTRS. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

Contributions
NYSTRS is noncontributory for employees who joined prior to July 27, 1976. For employees who joined NYSTRS after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in NYSTRS more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, contributions of 3.5% are paid throughout their active membership.

For employees who joined after April 1, 2012, required contributions of 3.5% of their salary are paid until April 1, 2013 and they then contribute 3% to 6% of their salary throughout their active membership. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

7. PENSION PLANS (Continued)

New York State Teachers' Retirement System (NYSTRS) (Continued)

Contributions (Continued)
The School District is required to contribute at an actuarially determined rate. The School District contributions made to NYSTRS were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

	NYSTRS
2020	$ 20,169,382
2019	$ 18,028,006
2018	$ 20,788,074

Pension Assets, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions
At June 30, 2020, the School District reported a net pension asset of $29,560,359 for its proportionate share of the NYSTRS net pension asset. The net pension asset was measured as of June 30, 2019, and the total pension asset used to calculate the net pension asset was determined by the actuarial valuation as of June 30, 2018. The School District's proportion of the net pension asset was based on a projection of the School Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2019, the School District's proportionate share was 1.137809%, which was an increase of .008454% from its proportionate share measured at June 30, 2018.

For the year ended June 30, 2020, the School District recognized pension expense of $35,724,402. At June 30, 2020 the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 20,032,301	$ 2,198,166
Changes in assumptions	55,843,473	13,616,218
Net difference between projected and actual earnings on pension plan investments	-	23,705,883
Changes in proportion	1,094,936	3,655,667
Contributions subsequent to the measurement date	17,250,303	-
Total	$ 94,221,013	$ 43,175,934

7. PENSION PLANS (Continued)

New York State Teachers' Retirement System (NYSTRS) (Continued)

Pension Assets, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The School District recognized $17,250,303 as a deferred outflow of resources related to pensions resulting from the School District's contributions subsequent to the measurement date of June 30, 2019 which will be recognized as a reduction to the net pension asset for the year ended June 30, 2021. Other amounts reported as deferred outflows/ (inflows) of resources related to pensions will be recognized in pension expense as follows:

Plan year ending June 30:

2020	$ 12,596,980
2021	72,039
2022	12,548,507
2023	8,742,707
2024	911,235
Thereafter	(1,076,694)
	$ 33,794,774

Actuarial Assumptions

The total pension asset at the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018, with update procedures used to roll forward the total pension asset to June 30, 2019, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Inflation	2.20%
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

Service	Rate
5	4.72%
15	3.46%
25	2.37%
35	1.90%

Projected COLAs	1.3% compounded annually
Investment Rate of Return	7.10% compounded annually, net of pension plan investment expense, including inflation.

Mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2018, applied on a generational basis.

The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.

7. PENSION PLANS (Continued)

New York State Teachers' Retirement System (NYSTRS) (Continued)

Actuarial Assumptions (Continued)
The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations.* ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of the measurement date of June 30, 2019 are summarized in the following table:

Asset Type	Target Allocations in %	Long-term expected expected real rate of return in %
Domestic Equity	33.0	6.3
International Equity	16.0	7.8
Global Equity	4.0	7.2
Real Estate Equity	11.0	4.6
Private Equity	8.0	9.9
Domestic Fixed Income	16.0	1.3
Global Bonds	2.0	0.9
Private Debt	1.0	6.5
Real Estate Debt	7.0	2.9
High-yield Bonds	1.0	3.6
Cash Equivalents	1.0	0.3
	100%	

Discount Rate
The discount rate used to measure the total pension (asset) was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the NYSTRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension (asset) liability.

Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to the Discount Rate Assumption
The following presents the net pension liability (asset) of the School District using the discount rate of 7.10 percent, as well as what the school districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount (7.10%)	1% Increase (8.10%)
Proportionate share of Net Pension Liability (Asset)	$ 133,432,375	($ 29,560,359)	($ 166,292,869)

7. PENSION PLANS (Continued)

New York State Teachers' Retirement System (NYSTRS) (Continued)

Pension Plan Fiduciary Net Position
The components of the collective net pension liability (asset) of the participating school districts as of June 30, 2019, were as follows:

	Pension Plan's Fiduciary Net Position	District's proportionate share of Plan's Fiduciary Net Position	District's allocation percentage as determined by the Plan
Total pension liability	$ 119,879,473,882	$ 1,363,999,441	1.137809%
Net position	(122,477,480,654)	(1,393,559,800)	1.137809%
Net pension liability (asset)	$ (2,598,006,772)	$ (29,560,359)	1.137809%
Fiduciary net position as a percentage of total pension liability	102.2%	102.2%	

8. OTHER POSTEMPLOYMENT BENEFITS

Plan Description
The School District's defined benefit OPEB plan, provides OPEB for all employees who meet the NYSTRS/NYSERS eligibility requirements. Teachers and Administrators age 55 with 5 years of service who are eligible to retire and collect benefits according to the NYSTRS are eligible for retiree health care benefits for life from the School District. Support staff hired before January 1, 2010 age 55 with 5 years of service are eligible to retire and collect benefits for life from the School District according to NYSERS. Members after January 1, 2010 must be 55 years old with 10 years of service to qualify for NYSERS health care benefits.

The plan is a single-employer defined benefit OPEB plan administered by the School District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the School District's Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided
The School District provides healthcare benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the School District offices and are available upon request.

Employees Covered by Benefit Terms
At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3,324
Active employees	2,988
Total participants	6,312

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Total OPEB Liability
The School District's total OPEB liability of $288,104,905 was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2019.

Actuarial Assumptions and Other Inputs
The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Reporting Date	6/30/2020
Measurement Date	6/30/2020
Actuarial Valuation Date	7/1/2019
Discount Rate	2.45%
Rate of Compensation Increase	3.00%
Inflation Rate (CPI)	2.25%
Inflation Rate (Chained CPI)	2.00%
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage
Amortization Period	7.114 years

The rate used to discount future plan cash flows was updated from 3.13% to 2.45% as of June 30, 2020 based on a review of the Fidelity General Obligation 20-Year AA Municipal Bond Index. The change in discount rate resulted in an increase in liabilities.

The annual rate of increase in healthcare costs was revised as of June 30, 2020 to better reflect future expectations including updating long-term rates based on the SOA Long Term Healthcare Cost Trends Model v2020_b (the Getzen model). A review of published National trend survey data in relation to the retiree health plan offerings was the basis for this change. The revised assumption resulted in a decrease in liabilities.

The percentage of future retirees electing to cover a spouse was revised from 50% to 55% as of July 1, 2019 to better reflect actual experience. A review of valuation data from July 1, 2009 to July 1, 2019 was the basis for this change. The revised assumption resulted in an increase in liabilities.

The percentage of surviving spouses electing coverage after the death of the retiree was revised from 100% to 50% as of July 1, 2019 to better reflect actual experience. A review of valuation data from July 1, 2009 to July 1, 2019 was the basis for this change. The revised assumption resulted in a decrease in liabilities.

The base mortality assumption was revised as of June 30, 2020 to the sex-distinct and job category specific headcount weighted Pub-2010 Public Retirement Plans Mortality Tables for employees and healthy retirees. These tables were developed using public retirement plan experience and therefore may be more appropriate for local governmental employers than the RPH-2014 tables. The revised assumption resulted in an increase in liabilities.

The mortality improvement scale assumption was revised as of June 30, 2020 from Scale MP-2018 on a generational basis to Scale MP-2019 on a generational basis in order to reflect the most recent experience available as of the measurement date. The revised assumption resulted in a decrease in liabilities.

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability

Balance at June 30, 2019	$ 645,083,084
Changes for the Year:	
Service cost	7,790,200
Interest	8,564,800
Differences between expected and actual experience	(389,052,209)
Changes in assumptions or other inputs	28,637,682
Actual benefit payments	(12,918,652)
Net changes	(356,978,179)
Balance at June 30, 2020	$ 288,104,905

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.45%) or 1 percentage point higher (3.45%) than the current discount rate:

	1% Decrease (1.45%)	Current Discount (2.45%)	1% Increase (3.45%)
Total OPEB Liability	$ 325,491,647	$ 288,104,905	$ 257,016,042

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (3.40-5.75%) or 1 percentage point higher (5.40-7.75%) than the current healthcare cost trend rate:

	1% Decrease (3.40% - 5.75%)	Current Discount (4.40% - 6.75%)	1% Increase (5.40% - 7.75%)
Total OPEB Liability	$ 244,061,296	$ 288,104,905	$ 343,882,156

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the School District recognized OPEB expense of ($38,019,076). At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	$ 24,612,143	$ (18,093,203)
Difference between Expected and Actual Experience	-	(336,199,148)
Total	$ 24,612,143	$ (354,292,351)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

The net amount of deferred inflows of resources and deferred outflows of resources will be amortized and recognized as follows:

Fiscal Year Ending June 30:	Amount
2021	$ (54,374,076)
2022	(54,374,076)
2023	(54,374,076)
2024	(54,374,076)
2025	(54,374,076)
Thereafter	(57,809,828)
Total	$ (329,680,208)

9. CONTINGENCIES AND COMMITMENTS

The School District may be subject to lawsuits in the ordinary conduct of its affairs. The School District does not believe any outstanding items are likely to have a material, adverse effect on the financial statements at June 30, 2020.

Numerous real estate tax certiorari proceedings are presently pending against the City of Syracuse, New York on grounds of alleged inequality of assessment. Adverse decisions to the City could have a substantial impact through the reduction of assessments and tax refunds to successful litigants. The School District is a principal recipient of property taxes levied by the City. Since the outcome of these proceedings cannot presently be determined, no provision for this exposure, if any, has been included in the accompanying basic financial statements.

The School District has a potential liability for employees who have not entered into the Retirement System due to the fact that they were never offered the right to join. Any potential liability relating to this contingency is not determinable at June 30, 2020.

The School District has received grants, which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior years' experience, the School District's administration believes disallowances, if any, will be immaterial.

10. SELF-INSURANCE

The School District is primarily self-insured for medical, dental, workers' compensation and general liability claims. Property coverage exists for all City Schools for losses in excess of $250,000 per occurrence. Self-insured expenditures are expensed when paid. All future liabilities for employee medical, dental, workers' compensation and judgments and claims are recorded as liabilities. Liabilities accrued include an estimate of pending claims and claims incurred but not reported.

The following represents changes in those aggregate liabilities for the year ended June 30, 2020:

	Medical	Workers' Compensation
July 1, 2019	$ 1,287,922	$ 34,558,646
Claims in current year, net of payments for all claims	825,379	(92,831)
June 30, 2020	$ 2,113,301	$ 34,465,815

The School District believes the provisions, as described in Note 5, are adequate to cover the liability for claims based upon current available information but these estimates may be more or less than the amount ultimately paid when claims are settled.

11. SUBSEQUENT EVENTS

REVENUE ANTICIPATION NOTES

On July 31, 2020, the School District paid off the full amount of $23,664,000 in outstanding Series 2020A Revenue Anticipation Notes that had been issued on April 15, 2020 at 1.77% to cover an expected cash flow shortage due to anticipated delay in cash receipts during the pandemic.

On September 30, 2020, the School District issued $85,967,000 in Series 2020B Revenue Anticipation Notes Series at 2.00% maturing on July 30, 2021 to cover an expected cash flow shortage due to the timing of cash receipts from all sources. The request was approved by the City of Syracuse, New York Common Council on September 14, 2020.

DEBT REFUNDING AUTHORIZATION

On October 14, 2020, October 29, 2020, and November 9, 2020, respectively, the Syracuse City School District's Board of Education, JSCB, and the City's Common Council approved resolutions to authorize the issuance of revenue refunding bonds for an aggregate principal amount not to exceed $30,600,000 (the "Series 2021A Bonds") to refund all or a portion of the previously issued and outstanding Series 2010A Bonds and Series 2011A Bonds. The Series 2010A and 2011A Bonds were originally issued to finance the costs of the reconstruction, rehabilitation and construction of Dr. Weeks Elementary School, Clary Middle School, Shea Middle School, H. W. Smith Elementary School and PSLA at Fowler High School.

11. SUBSEQUENT EVENTS (Continued)

COVID-19 PANDEMIC

As of the date of this report, the United States is in the midst of a national health emergency related to a virus, commonly known as novel coronavirus (COVID-19). The School District was closed effective March 16, 2020 and did not re-open during the 2020 academic year. The School District developed a re-opening plan for on-site instruction for the 2020-21 school year and resumed educating students in September. The School District began the current school year with an all virtual instructional model and then transitioned to a hybrid in-person and virtual education learning model in early October.

During March 2020, the NYS Governor put NYS on pause and shut down large portions of the economy. Businesses throughout NYS remain closed or are operating significantly below their capacity. New York State has publicly stated that COVID-19 will have a significant negative impact on its revenues and its 2020-21 budget. In August 2020, the New York State Department of Education notified all school districts that effective immediately certain future payments of State aid will be reduced by a 20% withholding and that this withholding may become a permanent reduction in aid. As a result of the withholding of State aid and State funded grant program reimbursements, at June 30, 2020, the District has recorded deferred inflows of resources in the amount of $1.6 million in the General fund and $1.8 million in the Special Aid fund.

In September 2020, New York State Division of Budget publically stated that state aid payments would be made in full for September. State funded grant program payments continue to be reduced by a 20% withholding. It is difficult at this time to predict with certainty the full effect this may have on future State aid and State grant payments to the School District. The School District is currently analyzing the effects such a reduction will have on its fiscal 2020-21 operations.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
SCHEDULE OF REVENUES, EXPENDITURES AND ENCUMBRANCES-
BUDGET AND ACTUAL-GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund						
	Budgeted Amounts						
	Original	Amendments and Inter-functional Transfers	Final	Actual	Add: Current Year Encumbrances	Total Current Year Expenditures and Encumbrances	Budget Variance Favorable (Unfavorable)
REVENUES							
General property taxes	$ 61,707,833	$ (900,000)	$ 60,807,833	$ 61,161,816	$ -	$ 61,161,816	$ 353,983
Nonproperty taxes	674,320	(125,000)	549,320	688,347	-	688,347	139,027
Charges for services	175,000	-	175,000	276,420	-	276,420	101,420
Use of money and property	431,000	-	431,000	260,409	-	260,409	(170,591)
Sale of property and compensation for loss	51,100	-	51,100	1,337,001	-	1,337,001	1,285,901
Miscellaneous	2,794,121	-	2,794,121	2,281,351	-	2,281,351	(512,770)
State and local sources	367,882,869	-	367,882,869	367,645,067	-	367,645,067	(237,802)
Federal sources	1,535,000	(400,000)	1,135,000	1,038,271	-	1,038,271	(96,729)
Total revenues	435,251,243	(1,425,000)	433,826,243	434,688,682	-	434,688,682	862,439
OTHER SOURCES							
Premium on issuance of revenue anticipation notes	250,000	-	250,000	145,391	-	145,391	(104,609)
Operating transfers in	5,000,000	(500,000)	4,500,000	4,636,108	-	4,636,108	136,108
Total revenues and other sources	440,501,243	(1,925,000)	438,576,243	439,470,181	-	439,470,181	893,938
EXPENDITURES AND ENCUMBRANCES							
General support	71,951,829	5,887,835 *	77,839,664	68,439,209	1,397,133	69,836,342	8,003,322
Instruction	333,953,092	(18,416,281) *	315,536,811	297,529,381	6,055,044	303,584,425	11,952,386
Pupil transportation	27,045,762	(2,099,554)	24,946,208	23,537,472	116,962	23,654,434	1,291,774
Pass-through New York State funding to JSCB	20,867,794	-	20,867,794	20,543,696	-	20,543,696	324,098
Debt Service	2,026,300	-	2,026,300	1,439,842	-	1,439,842	586,458
Total expenditures and encumbrances	455,844,777	(14,628,000)	441,216,777	411,489,600	7,569,139	419,058,739	22,158,038
OTHER USES							
Operating transfers out	16,796,228	(3,000,000)	13,796,228	15,679,392	-	15,679,392	(1,883,164)
Total expenditures and other uses	472,641,005	(17,628,000)	455,013,005	427,168,992	7,569,139	434,738,131	20,274,874
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES, ENCUMBRANCES AND OTHER USES	$ (32,139,762)	$ 15,703,000	$ (16,436,762)	$ 12,301,189	$ (7,569,139)	$ 4,732,050	$ 21,168,812

* After the 2019-20 budget was passed, the Office of the New York State Comptroller (OSC) created the new Account Code A1622: Security of Plant in the Uniform Chart of Accounts to separately track and report expenditures for security, and police services that were previously reported in Account Code A2110: Teaching - Regular School. As a result of this required change, the District was required to complete an inter-functional transfer in the amount of $5,501,383 to transfer these funds from A.21100: Teaching – Regular School, where these were budgeted and categorized as Instruction Expenditures, to Function A.16220: Security of Plant where these will now be categorized as General Support Expenditures.

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total OPEB Liability										
Service cost	$ 7,790,200	$ 19,345,430	$ 19,103,347							
Interest	8,564,800	23,616,910	22,589,595							
Changes of benefit terms	-	-	-							
Differences between expected and actual experience	(389,052,209)	(2,242,757)	(314,221)							
Changes in assumptions	28,637,682	(19,845,230)	(5,655,185)							
Benefit payments	(12,918,652)	(17,693,310)	(18,514,661)							
Total change in total OPEB liability	(356,978,179)	3,181,043	17,208,875							
Total OPEB liability - beginning	645,083,084	641,902,041	624,693,166							
Total OPEB liability - ending	$ 288,104,905	$ 645,083,084	$ 641,902,041							
Covered-employee payroll	$ 229,649,395	$ 225,440,334	$ 239,120,856							
Total OPEB liability as a percentage of covered-employee payroll	125.5%	286.1%	268.4%							

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Notes to schedule:

Changes of assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

Discount rate	2.45%	3.13%	3.62%	3.56%	unavailable

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

The actuarial cost method used is Entry Age Normal.

As of June 30, 2020, the mortality assumption was revised to better reflect future expectations. This resulted in an increase in the liability.

As of June 30, 2020, the annual rate of increase in healthcare costs was revised to better reflect future expectations. This resulted in a decrease in the liability.

As of June 30, 2020, the discount rate changed from 3.13% to 2.45%. This resulted in an increase in the liability.

Plan Assets. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:
- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Proportion of the net pension liability (asset)	0.1481789%	0.1517704%	0.1427046%	0.1376588%	0.1323220%	0.1295850%				
Proportionate share of the net pension liability (asset)	$ 39,239	$ 10,753	$ 4,606	$ 12,935	$ 21,238	$ 4,378				
Covered-employee payroll	$ 45,503	$ 43,581	$ 43,232	$ 39,296	$ 37,080	$ 33,468				
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	86.23%	24.67%	10.65%	32.92%	57.28%	13.08%				
Plan fiduciary net position as a percentage of the total pension liability (asset)	86.39%	96.27%	98.24%	94.70%	90.68%	297.95%				

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Proportion of the net pension liability (asset)	1.137809%	1.129355%	1.119303%	1.137868%	1.051631%	1.072093%				
Proportionate share of the net pension liability (asset)	$ (29,560)	$ (20,422)	$ (8,508)	$ 12,187	$ (109,231)	$ (119,425)				
Covered-employee payroll	$ 194,699	$ 189,798	$ 177,373	$ 175,373	$ 157,918	$ 158,365				
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-15.18%	-10.76%	-4.80%	6.95%	-69.17%	-75.41%				
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%				

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	$ 5,898	$ 5,984	$ 5,650	$ 5,409	$ 5,656	$ 5,817				
Contributions in relation to the contractually required contribution	5,898	5,984	5,650	5,409	5,656	5,817				
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -				
Covered-employee payroll	$ 45,503	$ 43,581	$ 43,232	$ 39,296	$ 37,080	$ 33,468				
Contributions as a percentage of covered-employee payroll	12.96%	13.73%	13.07%	13.76%	15.25%	17.38%				

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	$ 20,169	$ 18,028	$ 20,788	$ 23,283	$ 27,692	$ 25,734				
Contributions in relation to the contractually required contribution	20,169	18,028	20,788	23,283	27,692	25,734				
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -				
Covered-employee payroll	$ 194,699	$ 189,798	$ 177,373	$ 175,373	$ 157,918	$ 158,365				
Contributions as a percentage of covered-employee payroll	10.36%	9.50%	11.72%	13.28%	17.54%	16.25%				

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

SUPPLEMENTARY INFORMATION

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	School Food Service	Capital Projects	Debt Service	Permanent Fund	Total Nonmajor Governmental Funds
ASSETS					
Pooled restricted cash and cash equivalents held by City	$ -	$ 22,320	$ -	$ -	$ 22,320
Restricted cash and cash equivalents held by District	-	-	-	17,039	17,039
Receivables:					
Due from other funds	5,758,825	9,898,795	965,162	-	16,622,782
State and Federal aid receivables	1,338,375	17,960	-	-	1,356,335
Other	-	-	-	-	-
Inventory	573,246	-	-	-	573,246
Total assets	$ 7,670,446	$ 9,939,075	$ 965,162	$ 17,039	$ 18,591,722
LIABILITIES					
Accounts payable	$ 376,133	$ 98,612	$ -	$ -	$ 474,745
Accured payroll	103,760	-	-	-	103,760
Due to other governments	961	-	-	-	961
Total liabilities	480,854	98,612	-	-	579,466
FUND BALANCE					
Non-spendable	573,246	-	-	-	573,246
Restricted	6,616,346	9,840,463	965,162	17,039	17,439,010
Total fund balances	7,189,592	9,840,463	965,162	17,039	18,012,256
Total liabilities and fund balances	$ 7,670,446	$ 9,939,075	$ 965,162	$ 17,039	$ 18,591,722

The accompanying notes are an integral part of these schedules.

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES- NONMAJOR GOVERNEMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	School Food Service	Capital Projects	Debt Service	Permanent Fund	Total Nonmajor Governmental Funds
REVENUES					
Use of money and property	$ 59	$ -	$ 740	$ 13	$ 812
Sale of property and compensation for loss	1,842	-	-	-	1,842
State and local sources	310,715	120,615	-	-	431,330
Federal sources	12,150,143	-	-	-	12,150,143
Surplus food	862,318	-	-	-	862,318
Sales - School Food Service Program	151,076	-	-	-	151,076
Total revenues	13,476,153	120,615	740	13	13,597,521
EXPENDITURES					
General Support	7,617,377	-	-	-	7,617,377
Principal	-	-	4,735,714	-	4,735,714
Interest	-	-	1,204,608	-	1,204,608
Cost of sales	5,469,028	-	-	-	5,469,028
Capital outlay	-	569,561	-	-	569,561
Total expenditures	13,086,405	569,561	5,940,322	-	19,596,288
Excess (deficiency) of revenues over expenditures	389,748	(448,946)	(5,939,582)	13	(5,998,767)
OTHER FINANCING SOURCES AND USES					
Proceeds of Refunding Bonds	-	-	235,000	-	235,000
Premium on Refunding Bonds	-	-	17,798	-	17,798
Deposit to Escrow Agent	-	-	(252,798)	-	(252,798)
Operating transfers in	-	4,100,000	5,961,235	-	10,061,235
Operating transfers out	(1,685,302)	(270,913)	-	-	(1,956,215)
Total other financing sources (uses)	(1,685,302)	3,829,087	5,961,235	-	8,105,020
Net change in fund balances	(1,295,554)	3,380,141	21,653	13	2,106,253
Fund balances - beginning of year	8,485,146	6,460,322	943,509	17,026	15,906,003
Fund balances - end of year	$ 7,189,592	$ 9,840,463	$ 965,162	$ 17,039	$ 18,012,256

The accompanying notes are an integral part of these schedules

OTHER INFORMATION

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
CAPITAL PROJECTS FUND- SCHEDULE OF PROJECT EXPENDITURES (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020

			Expenditures to Date				Methods of Financing					
Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended (Overexpended) Balance	Proceeds of Obligations	State Aid	Local Sources	Total	Transfer to Debt Service Fund	Fund Balance June 30, 2020
SSBA - SSIP1	$ 1,370,404	$ 6,437,596	$ 1,370,138	$ -	$ 1,370,138	$ 5,067,458	$ -	$ 1,370,138	$ -	$ 1,370,138	$ -	$ -
SSBA - SSIP2	350,000	350,000	18,095	6,213	24,308	325,692	-	24,308	-	24,308	-	-
SSBA - SSIP3	292,099	292,099	110,959	11,747	122,706	169,393	-	122,706	-	122,706	-	-
Lincoln Gym Partition	275,000	275,000	240,489	13,598	254,087	20,913	275,000	-	-	275,000	20,913	-
Salem Hyde Playground	78,141	78,141	72,344	5,797	78,141	-	-	78,141	-	78,141	-	-
Hughes Latin Playground	96,859	96,859	-	96,859	96,859	-	-	96,859	-	96,859	-	-
Building Condition Survey	-	1,400,000	-	-	-	1,400,000	-	-	1,400,000	1,400,000	-	1,400,000
Corcoran Welding Shop	950,000	950,000	839,998	68,697	908,695	41,305	-	-	950,000	950,000	-	41,305
Seymour Boiler Project	400,000	400,000	7,952	322,722	330,674	69,326	-	-	400,000	400,000	-	69,326
Fowler Pressbox	-	450,000	-	43,928	43,928	406,072	-	-	450,000	450,000	-	406,072
All other various	5,923,760	7,923,760	-	-	-	7,923,760	-	-	7,923,760	7,923,760	-	7,923,760
TOTAL	$ 9,736,263	$ 18,653,455	$ 2,659,975	$ 569,561	$ 3,229,536	$ 15,423,919	$ 275,000	$ 1,692,152	$ 11,123,760	$ 13,090,912	$ 20,913	$ 9,840,463

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020

Capital assets, net		$ 426,936,637
Add:		
Deferred loss on early retirement of debt		275,043
Deduct:		
Premium on bonds payable	45,963,276	
Short-term portion of bonds payable	24,307,000	
Long-term portion of bonds payable	315,307,000	
Less: unspent bond proceeds	(144,880,470)	(240,696,806)
Net investment in capital assets		$ 186,514,874

REQUIRED REPORTS UNDER UNIFORM GUIDANCE

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

December 9, 2020

To the Board of Education
City School District of Syracuse, New York:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City School District of Syracuse, New York (the School District), a blended component unit of the City of Syracuse, New York, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 9, 2020.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters
As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bonadio & Co., LLP

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

December 9, 2020

To the Board of Education
City School District of Syracuse, New York:

Report on Compliance for Major Federal Program
We have audited the City School District of Syracuse, New York's (the School District), a blended component unit of the City of Syracuse, New York, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the School District's major federal programs for the year ended June 30, 2020. The School District's major federal program is identified in the Summary of Auditor's Results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Major Federal Program
In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

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Report on Internal Control Over Compliance
Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on it's major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bonadio & Co., LLP

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Agriculture			
Passed-through NYS Department of Education:			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program (NSLP)	10.555	N/A	$ 862,318
Cash Assistance			
School Breakfast Program (SBP)	10.553	N/A	2,736,119
National School Lunch Program (NSLP)	10.555	N/A	5,597,334
After School Snack Program	10.555	N/A	479,414
Summer Food Service Program for Children (SFSPC)	10.559	N/A	2,448,654
Total Cash Assistance			11,261,521
Total Child Nutrition Cluster			12,123,839
Fresh Fruit and Vegetable Program	10.582	N/A	563,422
Passed-through NYS Department of Health:			
Child and Adult Care Food Program (CACFP)	10.558	N/A	325,200
Total U.S. Department of Agriculture			13,012,461
U.S. Department of Justice			
Passed-through Cornell University:			
National Institute of Justice Research, Evaluation, and Development Project Grants			
Therapeutic Crisis Intervention for Schools	16.560	N/A	527,125
Total U.S. Department of Justice			527,125
U.S. Department of Labor			
Passed-through CNY Works:			
WIOA Dislocated Worker Formula Grants	17.278	N/A	33,186
Direct:			
WIOA Dislocated Worker Formula Grants	17.278	C18457GG	84,472
Total U.S. Department of Labor			117,658
U.S. Department of Education			
Passed-through Onondaga Cortland Madison Counties BOCES:			
Adult Education - Basic Grants to States			
WIA - Title II Incarcerated and Institutionalized Individuals	84.002	N/A	4,513
WIA - Title II Incarcerated and Institutionalized Individuals	84.002	N/A	33,681
Passed-through NYS Department of Education:			
Adult Education - Basic Grants to States			
WIA-Title II Adult Basic	84.002	2338203168	231,099
WIA-Title II English Literacy & Civics	84.002	0040203008	231,532
Total Adult Education - Basic Grants to States			500,825

The accompanying notes to the schedule of federal awards are an integral part of this schedule.

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020
(Continued)

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Education (Continued)			
Passed-through NYS Department of Education (Continued):			
Title I, Grants to Local Educational Agencies			
Title I, Part A	84.010	0021192165	1,512,840
Title I, Part A	84.010	0021202165	12,752,547
Title I, Part D	84.010	0016192165	215
Title I, Part D	84.010	0016202165	308,732
Title I, School Improvement	84.010	0011182006	84,970
Title I, School Improvement	84.010	0011192006	182,107
Title I, School Improvement	84.010	0011202006	882,512
Title I, School Improvement	84.010	0011202306	5,486
Title I, School Improvement	84.010	0011202706	248
Title I, School Improvement	84.010	0011205015	363,047
Title I, School Improvement	84.010	0011205016	375,499
Title I, School Improvement	84.010	0011205042	239,057
Title I, School Improvement	84.010	0011205081	214,301
Title I, Integration Project	84.010	0011197140	51,039
Total Title I Grants to Local Educational Agencies			16,972,600
Special Education Cluster (IDEA):			
Special Education - Grants to States			
Section 611 PL194-145	84.027	0032200656	6,678,441
Total Special Education - Grants to States			6,678,441
Special Education - Preschool Grants			
Special Education - Preschool Grants	84.173	0033190656	12
Special Education - Preschool Grants	84.173	0033200656	337,649
Total Special Education - Preschool Grants			337,661
Total Special Education Cluster (IDEA)			7,016,102
Career and Technical Education - Basic Grants to States			
Pathways in Technology Early College High School	84.048	8039200013	411,110
Perkins IV CTEIA	84.048	8000190010	331
Perkins IV CTEIA	84.048	8000200010	176,015
Total Career and Technical Education - Basic Grants to States			587,456
Education for Homeless Children and Youth			
Education for Homeless Children and Youth	84.196	0212203112	2,128
Education for Homeless Children and Youth	84.196	0212203033	125,000
Total Education for Homeless Children and Youth			127,128
Twenty-First Century Community Learning Centers			
Twenty-First Century Community Learning Centers	84.287	0187197119	(4,295)
Twenty-First Century Community Learning Centers	84.287	0187207119	777,073
Total Twenty-First Century Community Learning Centers			772,778
English Language Acquisition State Grants			
Title III, Part A Immigration	84.365	0149192165	9,064
Title III, Part A Limited English Proficiency	84.365	0293192165	169,483
Title III, Part A Limited English Proficiency	84.365	0293202165	367,468
Total English Language Acquisition State Grants			546,015
Mathematics and Science Partnerships			
Title II, B Math and Science	84.366	0294190328	45,813
Total Mathematics and Science Partnerships			45,813

The accompanying notes to the schedule of federal awards are an integral part of this schedule.

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020
(Continued)

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Education (Continued)			
Passed-through NYS Department of Education (Continued):			
Supporting Effective Instruction State Grants			
Title II, Part A	84.367	0147192165	1,516,707
Title II, Part A	84.367	0147202165	550,835
Title II, Part A Model P-20 Partnerships for Principal Preparation	84.367	0145191003	525,676
Title II, Part A Model P-20 Partnerships for Principal Preparation	84.367	0145201003	42,731
Total Supporting Effective Instruction State Grants			2,635,949
Student Support and Academic Enrichment Program			
Title IV, Part A Effective Use of Technology	84.424	0196193833	611,773
Title IV, Part A	84.424	0204192165	4,886
Title IV, Part A	84.424	0204202165	638,058
Total Student Support and Academic Enrichment Program			1,254,717
Assistance for the Homeless Children and Youth			
Hurricane Education Recovery - Homeless Children	84.938	0084192165	21,030
Total Assistance for the Homeless Children and Youth			21,030
Direct:			
Impact Aid	84.041	N/A	103,266
Indian Education - Grants to Local Educational Agencies	84.060	S060A190411	163,085
Safe and Drug-Free Schools and Communities - National Programs	84.184	S184G190087	114,215
Total U.S. Department of Education			30,860,979
U.S. Department of Health and Human Services			
Passed-through Catholic Charites of Onondaga County:			
Refugee and Entrant Assistance - State Administered Programs	93.566	C00418GG	367,257
Total U.S. Department of Health and Human Services			367,257
Total Expenditures of Federal Awards			**$ 44,885,480**

The accompanying notes to the schedule of federal awards are an integral part of this schedule.

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

1. GENERAL

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of federal financial assistance programs administered by the City School District of Syracuse, New York (the School District), an entity as defined in the basic financial statements. Federal awards that are included in the Schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a portion of the operations of the School District, it is not intended to and does not present the government activities, each major fund and aggregate remaining fund information for the School District.

2. BASIS OF ACCOUNTING

Expenditures reported in the Schedule are presented in conformity with accounting principles generally accepted in the United States and amounts presented are derived from the School District's general ledger. Negative amounts reflected in the Schedule represent adjustments or credits resulting from the normal course of business to amounts reported as expenditures in prior years.

3. INDIRECT AND MATCHING COSTS

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Matching costs (the School District's share of certain program costs) are not included in the reported expenditures.

The School District did not elect to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

4. NON-MONETARY FEDERAL PROGRAM

The School District is the recipient of a federal financial award program that does not result in cash receipts or disbursements termed a non-monetary program. During the year ended June 30, 2020, the School District received food commodities, the fair market value of which amounted to $862,318 is presented in the accompanying Schedule of Expenditures of Federal Awards as National School Lunch Program (Division of Donated Foods, CFDA #10.555) and was considered in the School District's single audit.

5. SUBRECIPIENTS

There were no amounts provided to subrecipients during the year ended June 30, 2020.

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

Part I - Summary of Auditor's Results

Section I - Summary of Auditor's Results

Financial Statements

Type of independent auditor's report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ____ Yes __X__ No

Significant deficiency(ies) identified not considered to be material weaknesses? ____ Yes __X__ None reported

Noncompliance material to financial statements noted? ____ Yes __X__ No

Federal Awards

Type of independent auditor's report issued on compliance for major programs Unmodified

Internal control over major programs:

Material weakness(es) identified? ____ Yes __X__ No

Significant deficiency(ies) identified not considered to be material weaknesses? ____ Yes __X__ None reported

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? ____ Yes __X__ No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between Type A and Type B programs: $1,346,564

Auditee qualified as low-risk auditee? __X__ Yes ____ No

Section II - Financial Statement Findings

There were no financial statement findings that are required to be reported.

Section III - Federal Award Findings and Questioned Costs

There were no federal award findings or questioned costs that are required to be reported under the Uniform Guidance.

APPENDIX B

SUMMARY OF DEFINITIONS (2021A)

Act or IDA Act shall mean, collectively, the New York State Industrial Development Agency Act (constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York), as amended, and Chapter 641 of the 1979 Laws of New York, as amended.

Additional Bonds shall mean one or more series of bonds issued, executed, authenticated and delivered under the Indenture or a Series Indenture.

Agency shall mean the City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State, duly organized and existing under the laws of the State, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof.

Arbitrage and Use of Proceeds Certificate shall mean, with respect to a Series of Bonds, the applicable Arbitrage and Use of Proceeds Certificate of the School Parties relating to such Series of Bonds.

Authorized Representative shall have the meaning ascribed thereto in the Installment Sale Agreement.

Bank shall mean any: (i) bank or trust company organized under the laws of any state of the United States of America; (ii) national banking association; (iii) savings bank or savings and loan association chartered or organized under the laws of any state of the United States of America; or (iv) federal branch or agency pursuant to the International Banking Act of 1978 or any successor provisions of law, or domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America.

Bankruptcy Code shall mean Title 11 of the United States Code, as it is amended from time to time.

Base Facilities Agreement Payment Certificate shall have the meaning ascribed thereto in the State Aid Depository Agreement.

Beneficial Owner shall mean, whenever used with respect to a Bond, the Person in whose name such Bond is recorded as the beneficial owner of such Bond by the respective systems of DTC and each of the Participants of DTC.

Beneficial Ownership Interest shall mean the beneficial right to receive payments and notices with respect to the Bonds which are held by the Securities Depository under a book-entry system.

Bond Fund shall mean the special trust fund so designated, established pursuant to Section 5.1 of the Indenture.

Bondholder, Holder of Bonds, Holder or holder shall mean any Person who shall be the registered owner of any Bond or Bonds.

Bond Registrar shall mean the Trustee acting as registrar as provided in Section 3.10 of the Indenture.

Bond Resolution shall mean the resolution of the Agency adopted on December 16, 2020, authorizing the Series 2021A Project and the issuance of the Series 2021A Bonds.

Bonds shall mean the Series 2021A Bonds and any Additional Bonds.

Bond Service Charges shall mean the principal, interest and redemption premium, if any, required to be paid on the Bonds when and as the same become due, whether by scheduled maturity or prior redemption.

Bond Year shall have the meaning ascribed thereto in the Tax Certificate.

Business Day shall mean any day other than (i) a Saturday or Sunday, (ii) a day on which banks in the State of New York, or in the cities in which the corporate trust office of the Trustee is located, are authorized or required by law to close, or (iii) a day on which the New York Stock Exchange, Inc. is closed.

Cede & Co. shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to Bonds in book-entry-only form.

City Engineer shall have the meaning ascribed thereto in the Installment Sale Agreement.

Closing Date shall mean the date of the original issuance and delivery of the Series 2021A Bonds.

Code shall mean the Internal Revenue Code of 1986, as amended, including the regulations thereunder.

Collecting Officer shall have the meaning ascribed thereto in the State Aid Depository Agreement.

Collection Percentage means, with respect to each month of a Collection Period, the ratio, expressed as a percentage, of the amount of State Aid to Education expected to be received during such month of such Collection Period to the total amount of State Aid to Education expected to be received during such Collection Period.

Collection Period means the four month period from and including December 1 of a Fiscal Year through and including March 31 of such Fiscal Year.

Commissioner of Finance shall have the meaning ascribed thereto in the State Aid Depository Agreement.

Costs of Issuance shall mean issuance costs with respect to a Series of Bonds described in Section 147(g) of the Code and any regulations thereunder, including but not limited to the following: underwriter's spread (whether realized directly or derived through purchase of such Series of Bonds at a discount below the price at which they are expected to be sold to the public); counsel fees (including bond counsel, underwriter's counsel, Trustee's counsel, Agency's counsel, counsel to each of the School Parties, as well as any other specialized counsel fees incurred in connection with the borrowing); financial advisor fees of any financial advisor to the Agency or the School Parties incurred in connection with the issuance of the Series of Bonds; professional consultant's fees; Rating Agency fees; Trustee, Paying Agent and Depository Bank fees; Credit Facility fees and the fees and expenses of counsel to the provider of the Credit Facility; accountant fees and other expenses related to the issuance of such Series of Bonds; printing and reproduction costs; filing and recording fees; costs of Rating Agencies; fees and expenses of the Agency incurred in connection with the issuance of such Series of Bonds; Blue Sky fees and expenses; and any other charges, fees, costs or expenses related to the issuance of such Series of Bonds.

Credit Facility shall mean any letter of credit, standby bond purchase agreement, line of credit, surety bond, guarantee or similar instrument, or any agreement relating to the reimbursement of any payment thereunder (or any combination of the foregoing), which is obtained by the Agency or the School Parties and is issued by a financial institution, insurance provider or other Person and which provides security or liquidity in respect of any Outstanding Bonds.

Defeasance Obligations shall mean only: (1) cash; (2) non-callable direct obligations of the United States of America ("*Treasuries*"); (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated; (4) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively; or (5) securities eligible for "AAA" defeasance under then existing criteria of S&P or any combination thereof.

Depository Bank or Depository shall mean Manufacturers and Traders Trust Company, Buffalo, New York, acting as depository bank pursuant to the State Aid Depository Agreement, and shall include its successors and assigns in such capacity.

DTC shall mean The Depository Trust Company, a limited purpose trust company, New York, New York.

Environmental Compliance Agreement shall mean the Environmental Compliance and Indemnification Agreement, dated as of March 1, 2008, as amended by the First Supplemental Environmental Compliance and Indemnification Agreement, dated as of December 1, 2010, the Second Supplemental Environmental Compliance and Indemnification Agreement, dated as of July 1, 2011, the Third Supplemental Environmental Compliance and Indemnification Agreement, dated as of March 1, 2018, the Fourth Supplemental Environmental Compliance and Indemnification Agreement, dated as of June 1, 2018, the Fifth Supplemental Environmental Compliance and Indemnification Agreement, dated as of April 1, 2019, the Sixth Supplemental Environmental Compliance and Indemnification Agreement, dated as of March 1, 2020 and the Seventh Supplemental Environmental Compliance and Indemnification Agreement, dated as of February 1, 2021, from the City and the SCSD to and for the benefit of the Issuer, as same may be further amended or supplemented from time to time.

Event of Default shall have the meaning specified in Section 8.1 of the Indenture.

Event of Nonappropriation shall have the meaning ascribed thereto in the Installment Sale Agreement.

Facilities Payment Obligations means, with respect to the Installment Sale Agreement, the Lease Payments, Installment Purchase Payments or other like payment obligations as so defined in the Installment Sale Agreement.

First Supplemental Indenture shall mean the Indenture of Trust (Series 2011 Project), dated as of July 1, 2011, between the Agency and the applicable Series Trustee, pursuant to which the Series 2011A Bonds were issued.

Fitch shall mean Fitch Ratings and its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the function of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally-recognized securities rating agency designated by the Trustee by notice to the Notice Parties.

Indenture or Series 2021A Indenture shall mean the Indenture of Trust (Series 2021A Project), dated as of February 1, 2021 between the Agency and the applicable Series Trustee pursuant to which the Series 2021A Bonds were issued, as same may be amended or supplemented by Supplemental Indentures in accordance with Article XI of the Indenture.

Installment Purchase Payments shall mean those purchase payments payable by the SCSD pursuant to the Installment Sale Agreement, which term, for purposes of the State Aid Depository Agreement, shall constitute a "Base Facilities Agreement Payment".

Installment Sale Agreement shall mean the Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008, as amended by Amendment No. 1 to Installment Sale Agreement dated as of March 1, 2009, Amendment No. 2 to Installment Sale Agreement (Series 2010 Project), dated as December, 2010; Amendment No. 3 to Installment Sale agreement (Series 2011 Project) dated as of July 1, 2011; Amendment No. 4 to Installment Sale Agreement (Series 2017 Project), dated as of April 1, 2017; Amendment No. 5 to Installment Sale Agreement (Series 2018A Project), dated as of March 1, 2018; Amendment No. 6 to Installment Sale Agreement (Series 2018B Project), dated as of June 1, 2018; Amendment No. 7 to Installment Sale Agreement (Series 2019A Project), dated as of April 1, 2019; Amendment No. 8 to Installment Sale Agreement (Series 2020A Project), dated as of March 1, 2020 and Amendment No. 9 to Installment Sale Agreement (Series 2021A Project), dated as of February 1, 2021, each among the Agency and the School Parties, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Interest Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.1 of the Indenture.

Interest Payment Date shall mean, with respect to the Series 2021A Bonds, May 1 and November 1 of each year, commencing May 1, 2021, through and including the maturity date of the Series 2021A Bonds.

Issuer shall mean the City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State, duly organized and existing under the laws of the State, and any body, board, authority, agency or other governmental agency or instrumentality which shall succeed to the powers, duties, obligations and functions thereof.

JSCB shall mean the Syracuse Joint Schools Construction Board.

License Agreement or License shall mean the License Agreement (Series 2008 Project), dated as of March 1, 2008, between the City and the SCSD, as licensor, and the Issuer, as licensee, with respect to the Facilities, as previously amended by the Amendatory License Agreement dated as of December 1, 2010; a Second Amendatory License Agreement (Series 2011 Project) dated as of July 1, 2011; a Third Amendatory License Agreement (Series 2017 Project) dated as of April 1, 2017; a Fourth Amendatory License Agreement (Series 2018A Project) dated as of March 1, 2018; a Fifth Amendatory License Agreement (Series 2018B Project) dated as of June 1, 2018; a Sixth Amendatory License Agreement (Series 2019A Project) dated as of April 1, 2019; a Seventh Amendatory License Agreement (Series 2020A Project) dated as of March 1, 2020 and an Eighth Amendatory License Agreement (Series 2021A Project dated as of February 1, 2021, each between the City and the SCSD, as licensor and the Issuer, as licensee, as the same may be further amended or supplemented.

Moody's shall mean Moody's Investors Service Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of

a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

Nationally Recognized Bond Counsel shall mean Bousquet Holstein PLLC or other counsel acceptable to the Agency and the Trustee experienced in matters relating to tax exemption of interest on bonds issued by states and their political subdivisions.

Net Base Facilities Agreement Payment shall mean, with respect to the Installment Sale Agreement, the Net Base Installment Purchase Payments, Net Base Lease Payments or other net base payment obligations for principal and interest on the related Project Bonds (net of (y) any Scheduled Debt Service Reserve Fund Earnings to the extent that any such Scheduled Debt Service Reserve Fund Earnings shall not first be required when received under the related Series Indenture to satisfy any deficiency in the Debt Service Reserve Fund established for such Project Bonds, and (z) any amounts available in the Bond Fund established under the Series Indenture for such Project Bonds).

Notice Parties shall mean the Agency, the School Parties, the Paying Agent and the Trustee.

Opinion of Counsel shall mean a written opinion of counsel who may (except as otherwise expressly provided in the Installment Sale Agreement or any other Security Document) be counsel for the School Parties or the Agency and who shall be acceptable to the Trustee.

Outstanding when used with reference to a Bond or Bonds, as of any particular date, shall mean all Bonds which have been issued, executed, authenticated and delivered under the Indenture, except:

(a) Bonds cancelled by the Trustee because of payment or redemption prior to maturity or surrendered to the Trustee under the Indenture for cancellation;

(b) any Bond (or portion of a Bond) for the payment or redemption of which, in accordance with Section 10.1 of the Indenture, there has been separately set aside and held in the Redemption Account of the Bond Fund either:

(1) moneys, and/or

(2) Defeasance Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to provide moneys,

in an amount sufficient to effect payment of the principal or applicable Redemption Price of such Bond, together with accrued interest on such Bond to the payment or redemption date, which payment or redemption date shall be specified in irrevocable instructions given to the Trustee to apply such moneys and/or Defeasance Obligations to such payment on the date so specified, together with that documentation required under Section 10.1 hereof, provided, that, if such Bond or portion thereof is to be redeemed, notice of such redemption shall have been given as provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(3) Bonds in exchange for or in lieu of which other Bonds shall have been authenticated and delivered under Article III of the Indenture,

provided, however, that in determining whether the Holders of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder,

Bonds owned by any of the School Parties shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which a Responsible Officer of the Trustee actually knows to be so owned shall be so disregarded. Bonds which have been pledged in good faith to a Person may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not a School Party.

Participants shall mean those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

Paying Agent shall mean any paying agent for the Bonds appointed pursuant to the Indenture (and may include the Trustee) and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Indenture.

Pledge and Assignment shall mean the Pledge and Assignment dated as of February 1, 2021, by the Agency to the Trustee, acknowledged by the City, the SCSD and the JSCB.

Principal Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.1 of the Indenture.

Project shall have the meaning assigned to such term by the Syracuse Schools Act.

Project Bonds shall mean the Bonds and any series of bonds of the Agency or any other public entity issued under a Series Indenture to finance all or a portion of the costs of a Project.

Project Costs shall mean, together with any other proper item of cost not specifically mentioned in the Indenture but authorized pursuant to the IDA Act or the Syracuse Schools Act, the cost of construction, alteration, enlargement, reconstruction, rehabilitation, remodeling, equipping or furnishing of a Facility and the financing or refinancing thereof, including interest on a Series of Bonds from the date thereof to completion of construction, reconstruction or rehabilitation of a Facility, the payment of the fees and expenses of the Trustee and of any provider of a Credit Facility during the construction, reconstruction or rehabilitation of a Facility, the cost of preparation of the site of a Facility and of any land to be used in connection therewith, the cost of any indemnity and surety bonds and premiums on insurance, the cost of reserves, a Credit Facility or a Qualified Swap, all Costs of Issuance, the costs of audits, the cost of all labor, materials, services, supplies and other expenses, the cost of all contract bonds, the cost of all machinery, apparatus, furniture, fixtures and equipment, the cost of engineering, architectural services, design, plans, specifications and surveys, estimates of cost, and all other expenses necessary or incident to determining the feasibility or practicability of a Facility, and such other expenses not specified in the Indenture as may be necessary or incident to the construction, alteration, enlargement, reconstruction, rehabilitation, remodeling, equipping and furnishing of a Facility, the financing or refinancing thereof and the placing of the same in use and operation.

Project Fund shall mean the special trust fund so designated, established pursuant to Section 5.1 of the Indenture.

Qualified Investments shall mean, to the extent permitted by applicable law, the following:

(a) (i) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (ii) obligations fully and

unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (iii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (iv) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

(b) Federal Housing Administration debentures which are unconditionally guaranteed as to payment of principal and interest by an agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America.

(c) Collateralized (but such collateralization, if any, shall only be to the extent required by, and acceptable to, the District as determined by the Comptroller of the City) Certificates of Deposit issued by a commercial bank or trust company authorized to do business in the State and Time Deposit, Demand Deposit, and Money Market Accounts in a bank or trust company authorized to do business in the State.

(d) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least $5 million.

(e) Commercial paper (having original maturities of not more than 270 days) rated "A-1+" by S&P and "Prime-1" by Moody's.

(f) Money market funds rated "AAm" or "AAm-G" by S&P, or better.

(g) "State Obligations", which means:

(1) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3" by Moody's <u>and</u> "A" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(2) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated "A-1+" by S&P and "MIG-1" by Moody's.

(3) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated "AA" or better by S&P and "Aa" or better by Moody's.

(h) Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(1) the municipal obligations are (i) not subject to redemption prior to maturity, or (ii) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(2) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(3) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

(4) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(5) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(6) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(i) Repurchase agreements:

With (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "A" by S&P and Moody's; or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "A" by S&P and Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated "A" or better by S&P and Moody's, provided that:

(1) The market value of the collateral and the type of the collateral are approved by the Comptroller of the City;

(2) The Trustee or a third party acting solely as agent therefor or for the Agency (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

(3) The repurchase agreement shall state and an opinion of counsel to the provider addressed to the Agency and the Trustee shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession); and

(4) The repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-" by S&P or "A3" by Moody's, as appropriate, the provider must, at the direction of the Trustee (who shall give such direction if so directed by the Comptroller of the City), within ten (10) days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Agency or the Trustee.

(j) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P and "Aa" by Moody's; provided that, by the terms of the investment agreement:

(1) interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the Project Fund, construction draws) on the Bonds;

(2) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven (7) days' prior notice; the Trustee hereby agrees to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(3) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

(4) the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Agency and the Trustee) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the Agency and the Trustee;

(5) the investment agreement shall provide that if during its term

(i) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3", respectively (but not below "A-" or "A3", respectively), the provider shall, at its option, within ten (10) days of receipt of publication of such downgrade, either (a) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Agency, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral (of the type and having a market value as approved by the Comptroller of the City) free and clear of any third-party liens or claims, provided, however, that the provider can only exercise its option under this clause (a) if the Trustee shall receive a Rating Confirmation with respect thereto; or (b) repay the principal of and accrued but unpaid interest on the investment with no penalty or premium to the Agency or the Trustee, and

(ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3", respectively, the provider must, at the direction of the Agency or the Trustee (who shall give such direction, if so directed by the Comptroller of the City), within ten (10) days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Agency or the Trustee, and

(6) the investment agreement shall state and an opinion of counsel to the provider addressed to the Agency and the Trustee shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the holder of the Collateral is in possession); and

(7) the investment agreement must provide that if during its term

(i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Agency or the Trustee (who shall give such direction, if so directed by the Comptroller of the City), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Agency or the Trustee, as appropriate, and

(ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Agency or the Trustee, as appropriate.

(k) Any other investment, whether similar or dissimilar to any of the foregoing, to the extent that the Trustee (if so directed by the Comptroller of the City) shall receive a Rating Confirmation with respect thereto.

Qualified Swap shall mean, to the extent from time to time permitted by law, with respect to Bonds, any financial arrangement (i) which is entered into by the Agency or the City with an entity that is a Qualified Swap Provider at the time the arrangement is entered into, (ii) which is a cap, floor or collar; forward rate; future rate; swap (such swap may be based on an amount equal either to the principal amount of such Bonds of the Agency as may be designated or a notional principal amount relating to all or a portion of the principal amount of such Bonds); asset, index, price or market-linked transaction or agreement; other exchange or rate protection transaction agreement; other similar transaction (however designated); or any combination thereof; or any option with respect thereto, in each case executed by the Agency or the City for the purpose of moderating interest rate fluctuations, reducing debt service costs or creating either fixed or variable interest rate Bonds on a synthetic basis or otherwise, (iii) which has been designated in writing to the Trustee by an Authorized Representative of the City as a Qualified Swap with respect to such Obligations, and (iv) which provides that any termination or like payment thereunder shall be subordinated to the payment of the Bonds.

Qualified Swap Provider shall mean an entity whose senior long term obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, or whose payment obligations under an interest rate exchange agreement are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, are rated either at least as high as (i) the third highest Rating Category of each Rating Agency then maintaining a rating for the Qualified Swap Provider, or (ii) any such lower Rating Categories which each such Rating Agency indicates in writing to the Agency and the Trustee will not, by itself, result in a reduction or withdrawal of its rating on the Outstanding Bonds subject to such Qualified Swap that is in effect prior to entering into such Qualified Swap.

Rating Agency shall mean Fitch, S&P or Moody's and such other nationally recognized securities rating agency as shall have awarded a rating to the Bonds at the request of the Agency.

Rating Category shall mean one of the generic rating categories of any of Fitch, Moody's or S&P without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

Rating Confirmation shall mean written evidence from each Rating Agency that no Outstanding Bond rating then in effect from such Rating Agency will be withdrawn, reduced or suspended solely as a result of an action to be taken as described or referred to therein.

Rebate Fund shall mean the special trust fund so designated, established pursuant to Section 5.1 of the Indenture.

Record Date shall mean, with respect to the Series 2021A Bonds, the fifteenth (15th) day of the month immediately preceding an Interest Payment Date.

Redemption Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.1 of the Indenture.

Redemption Price shall mean, with respect to any Bond or a portion thereof, the principal amount thereof to be redeemed in whole or in part, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or the Indenture.

Refunded Bonds shall mean, with respect to a Series of Refunding Bonds, the Bonds refunded by such Refunding Bonds pursuant to Section 2.7 of the Indenture.

Refunding Bonds shall mean one or more series of Refunding Bonds issued, executed, authenticated and delivered under the Indenture.

Refunding Escrow Trust Agreement shall mean one or more Refunding Escrow Trust Agreement(s), dated as of February 1, 2021, among the Agency, the District and the applicable Series Trustee(s), as escrow agent, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith.

Related Security Documents shall mean all Security Documents other than the Indenture.

Representation Letter shall mean the Blanket Issuer Letter of Representations from the Agency and the Trustee to DTC.

Reserved Rights shall mean, collectively,

(a) the right of the Agency to exercise in its own behalf its rights under the Installment Sale Agreement with respect to the payment and/or collection of Additional Payments due to the Agency in its own behalf under the Installment Sale Agreement;

(b) the right of the Agency in its own behalf to receive all Opinions of Counsel, reports, financial statements, certificates, insurance policies, binders or certificates, or other notices or communications required to be delivered to the Agency under the Installment Sale Agreement;

(c) the right of the Agency to grant or withhold any consents or approvals required of the Agency under the Installment Sale Agreement;

(d) the right of the Agency to enforce or otherwise exercise in its own behalf all agreements of the School Parties with respect to ensuring that the Facilities shall always constitute a qualified "project" as defined in and as contemplated by the IDA Act and the Syracuse Schools Act;

(e) the right of the Agency in its own behalf to enforce, receive Additional Payments payable under or otherwise exercise its rights under Article VII and Sections 2.3, 3.1, 3.2, 3.7, 3.9, 4.3, 4.5, 4.8, 5.2, 5.5, 8.1(b) – (f), 8.2, 8.3, 8.7, 9.1, 10.5, 10.6, 10.16, 10.17 and 10.18 of the Installment Sale Agreement;

(f) the right of the Agency to enforce the Environmental Compliance Agreement; and

(g) the right of the Agency in its own behalf to enforce the Agency's Reserved Rights upon the occurrence of an Event of Default or an Event of Nonappropriation.

Responsible Officer shall mean, with respect to the Trustee, any officer within the corporate trust office of the Trustee, including any vice-president, any assistant vice-president, any secretary, any assistant secretary, the treasurer, any assistant treasurer or other officer of the corporate trust office of the Trustee customarily performing functions similar to those performed by any of the above designated officers, who has direct responsibility for the administration of the trust granted in the Indenture, and shall also mean, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject.

S&P shall mean Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

Scheduled Debt Service Fund Earnings shall have the meaning ascribed thereto in the State Aid Depository Agreement.

School Party or School Parties shall mean, collectively or severally, as applicable, the City, the SCSD and the JSCB.

SCSD shall mean the City School District of the City of Syracuse, a school district of the State of New York, acting by and through the Board of Education of the City School District of the City of Syracuse, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof.

Securities Depository shall mean any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in the Bonds, and to effect transfers of book-entry interests in the Bonds in book-entry form, and includes and means initially DTC.

Security Documents shall mean, collectively, the Installment Sale Agreement, the Indenture, the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture, the Series 2018A Indenture, the Series 2018B Indenture, the Series 2019A Indenture, the Series 2020A Indenture and the Tax Compliance Documents.

Series shall mean all of the Bonds designated as being of the same series authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor pursuant to the Indenture.

Series Indenture shall mean, collectively, the Indenture and each other indenture of trust, Supplemental Indenture or bond resolution pursuant to which a series of Project Bonds shall be issued to finance all or a portion of the costs of a Project.

Series 2010 Bonds shall mean the Issuer's $31,470,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2010, authorized, issued, executed, authenticated and delivered under the Indenture.

Series 2008A Bonds shall mean the Issuer's $49,230,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2008A, authorized, issued, executed, authenticated and delivered under the Series 2008 Indenture.

Series 2011A Bonds shall mean the Issuer's $31,860,000 School Facility Revenue Bonds (Tax-Exempt) (Syracuse City School District Project), Series 2011A authorized, issued, executed, authenticated and delivered under the First Supplemental Indenture.

Series 2011B Bonds shall mean the Issuer's $15,000,000 School Facility Revenue Bonds (Federally Taxable Qualified School Construction Bonds) (Syracuse City School District Project), Series 2011B authorized, issued, executed, authenticated and delivered under the First Supplemental Indenture.

Series 2011 Bonds shall mean collectively the Series 2011A Bonds and the Series 2011B Bonds and the authorized, issued, executed, authenticated and delivered under the Series 2011 Indenture.

Series 2017 Bonds shall mean the Agency's $29,260,000 School Facility Revenue Refunding Bonds (Syracuse City School District Project), Series 2017, authorized, issued, executed, authenticated and delivered under the Series 2017 Indenture.

Series 2018A Bonds shall mean the Issuer's $67,265,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A, authorized, issued, executed, authenticated and delivered under the Series 2018A Indenture.

Series 2018B Bonds shall mean the Issuer's $38,500,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2018B, authorized, issued, executed, authenticated and delivered under the Series 2018B Indenture.

Series 2019A Bonds shall mean the Issuer's $65,435,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2019A, authorized, issued, executed, authenticated and delivered under the Series 2019A Indenture.

Series 2020A Bonds shall mean the Issuer's $80,530,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2020A, authorized, issued, executed, authenticated and delivered under the Series 2020A Indenture.

Series 2021A Bonds shall mean the Issuer's $_____ School Facility Revenue Refunding Bonds (Syracuse City School District Project), Series 2021A, authorized, issued, executed, authenticated and delivered under the Series 2021A Indenture.

Series 2008 Indenture shall mean the Indenture of Trust (Series 2008 Project), dated as of March 1, 2008, between the Agency and the applicable Series Trustee, pursuant to which the Series 2008A Bonds were issued.

Series 2010 Indenture shall mean the Indenture of Trust (Series 2010 Project), dated as of December 1, 2010, between the Agency and the applicable Series Trustee, pursuant to which the Series 2010 Bonds were issued, as supplemented by the First Supplemental Indenture.

Series 2017 Indenture shall mean the Indenture of Trust (Series 2017 Project), dated as of April 1, 2017, between the Agency and the applicable Series Trustee, pursuant to which the Series 2017 Bonds were issued.

Series 2018A Indenture shall mean the Indenture of Trust (Series 2018A Project), dated as of March 1, 2018, between the Agency and the applicable Series Trustee, pursuant to which the Series 2018A Bonds were issued.

Series 2018B Indenture shall mean the Indenture of Trust (Series 2018B Project), dated as of June 1, 2018, between the Agency and the applicable Series Trustee, pursuant to which the Series 2018B Bonds were issued.

Series 2019A Indenture shall mean the Indenture of Trust (Series 2019A Project), dated as of April 1, 2019, between the Agency and the applicable Series Trustee, pursuant to which the Series 2019A Bonds were issued.

Series 2020A Indenture shall mean the Indenture of Trust (Series 2020A Project), dated as of March 1, 2020, between the Agency and the applicable Series Trustee, pursuant to which the Series 2020A Bonds were issued.

Series 2021A Indenture shall mean the Indenture of Trust (Series 2021A Project), dated as of February 1, 2021, between the Agency and the applicable Series Trustee, pursuant to which the Series 2021A Bonds were issued.

Series 2021A Project shall have the meaning ascribed to such term in the Installment Sale Agreement.

Series Trustee shall mean the Trustee under the Series 2021A Indenture, the Trustee under the Series 2010 Indenture, the Trustee under the First Supplemental Indenture, the Trustee under the Series 2017 Indenture, the Trustee under the Series 2018A Indenture, the Trustee under the Series 2018B Indenture, the Trustee under the Series 2019A Indenture and the Trustee under the Series 2020A Indenture, each between Manufacturers and Traders Trust Company, as Trustee and the Agency; and each financial institution acting as Trustee under a Series or Supplemental Indenture.

Special Record Date shall mean such date as may be fixed for the payment of defaulted interest in accordance with Section 2.2 of the Indenture.

State shall mean the State of New York.

State Aid Depository Agreement shall mean the State Aid Depository Agreement, dated as of March 1, 2008, as amended by the First Amendment to State Aid Depository Agreement, dated as of December 1, 2010, each among the SCSD, the Depository Bank and the City, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith.

State Aid to Education shall have the meaning ascribed thereto in the State Aid Depository Agreement.

State Comptroller shall mean the State Comptroller of the State of New York.

Supplemental Indenture shall mean any indenture supplemental to or amendatory of the Indenture, executed and delivered by the Agency and the Trustee in accordance with Article XI of the Indenture.

Syracuse Schools Act shall mean Chapter 58 Part A-4 of the Laws of 2006 of the State, as the same may be further amended from time to time.

Tax Certificate shall mean, with respect to a Series of Bonds, the Tax Certificate of the Agency with respect to such Series of Bonds.

Tax Compliance Documents shall mean, with respect to a Series of Bonds, the Arbitrage and Use of Proceeds Certificate and Tax Certificate with respect to such Series of Bonds.

Trustee shall mean Manufacturers and Traders Trust Company, Buffalo, New York, in its capacity as trustee under the Indenture, and its successors in such capacity and their assigns hereafter appointed in the manner provided in the Indenture.

Trust Estate shall mean all property, interests, revenues, funds, contracts, rights and other security granted to the Trustee under the Security Documents.

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE OF TRUST

The following is a summary of certain provisions of the Indenture of Trust. This summary is qualified in its entirety by reference to the document itself.

Additional Bonds. So long as the Installment Sale Agreement is in effect and no Event of Default exists thereunder, one or more Series of Additional Bonds may be issued, authenticated and delivered upon original issuance for the purpose of: (i) financing Facilities in connection with the Program; (ii) providing funds to repair, relocate, replace, rebuild or restore an affected Facility in the event of damage, destruction or taking by eminent domain; (iii) providing such additions, rehabilitation or recreational facilities to one or more Facilities, provided such additions, rehabilitation or recreational facilities constitute a "project " under the IDA Act and the Syracuse Schools Act; or (iv) refunding Outstanding Bonds. Such Series of Additional Bonds shall be payable from the Installment Purchase Payments under the Installment Sale Agreement. Prior to the issuance of a Series of Additional Bonds and the execution of a Supplemental Indenture or a Series Indenture in connection therewith (except in the case of Refunding Bonds), the City, the SCSD and the Issuer shall enter into a lease or license agreement or amendment to the License, as applicable, to grant an interest in the Facility(ies) to the Issuer, and the Issuer and the School Parties shall enter into an amendment to the Installment Sale Agreement to subject the Facility(ies) to the Installment Sale Agreement and to provide, among other things, that the Installment Purchase Payments payable under the Installment Sale Agreement shall be increased and computed so as to amortize in full the principal of and interest on the Bonds including such Series of Additional Bonds. In addition, each of the School Parties and the Issuer shall enter into an amendment to the Tax Compliance Documents.

Each such Series of Additional Bonds shall be deposited with the Series Trustee and thereupon shall be authenticated by the Trustee. Upon payment to the Trustee of the proceeds of sale of the Additional Bonds, they shall be made available by the Trustee for pick-up by the order of the purchaser or purchasers thereof, but only upon receipt by the Trustee of:

(1) a copy of the resolution, duly certified by the Secretary of the Issuer, authorizing, issuing and awarding the Additional Bonds to the purchaser or purchasers thereof and providing the terms thereof and authorizing the execution of any Supplemental Indenture or a Series Indenture and any amendments of or supplements to the Tax Certificate, the License and the Installment Sale Agreement;

(2) original executed counterparts of the Supplemental Indenture or a Series Indenture and any amendment of or supplement to the License and the Installment Sale Agreement, expressly providing that, to the extent applicable, for all purposes of the Supplemental Indenture or a Series Indenture, the License and the Installment Sale Agreement, the Facilities referred to therein and the premises licensed pursuant to the License, as applicable, and sold under the Installment Sale Agreement shall include the buildings, structures, improvements, machinery, equipment or other facilities being financed, and the Series 2021A Bonds shall mean and include the Additional Bonds being issued as well as the Series 2021A Bonds and any Additional Bonds theretofore issued;

(3) a written opinion by Nationally Recognized Bond Counsel, to the effect that the issuance of the Additional Bonds and the execution thereof have been duly authorized, that all conditions precedent to the delivery thereof have been fulfilled, and that the issuance of the Additional Bonds will not cause the interest on any Series of Bonds Outstanding to become includable in gross income for federal income tax purposes;

(4) except in the case of Refunding Bonds refunding all Outstanding Bonds, a certificate of an Authorized Representative of each of the School Parties to the effect that the License, the Arbitrage and Use of Proceeds Certificate and the Installment Sale Agreement continue in full force and effect and that there is no Event of Default nor any event which upon notice or lapse of time or both would become an Event of Default;

(5) to the extent applicable, those documents required under the Installment Sale Agreement;

(6) an original, executed counterpart of the amendment, if any, to the Tax Compliance Documents; and

(7) a written order to the Trustee executed by an Authorized Representative of the Issuer to authenticate and make available for pick-up the Series of Additional Bonds to the purchaser or purchasers therein identified upon payment to the Trustee of the purchase price therein specified, plus accrued interest, if any.

Upon the request of the JSCB, one or more Series of Additional Bonds may be authenticated and made available for pick-up upon original issuance to refund all Outstanding Bonds or any Series of Outstanding Bonds or any part of one or more Series of Outstanding Bonds. Bonds of a Series of Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits required by the provisions of the Indenture and of the resolution authorizing said Series of Refunding Bonds. In the case of the refunding under this heading of less than all Bonds Outstanding of any Series or of any maturity within such Series, the Trustee shall proceed to select such Bonds in accordance with the Indenture.

Refunding Bonds may be authenticated and made available for delivery only upon receipt by the Trustee (in addition to the receipt by it of the documents required by the second paragraph under this heading, as may be applicable) of:

(A) Irrevocable instructions from the Issuer to the Trustee, satisfactory to it, to give due notice of redemption pursuant to the Indenture to the Holders of all the Outstanding Bonds to be refunded prior to maturity on the redemption date specified in such instructions; and

(B) Either:

(i) moneys in an amount sufficient to effect payment at maturity or upon redemption at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the maturity or redemption date, which moneys shall be held by the Trustee or any Paying Agent in a separate account irrevocably in trust for and assigned to the respective Holders of the Outstanding Bonds being refunded, or

(ii) Defeasance Obligations in such principal amounts, having such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of the Indenture, and any moneys required pursuant to the Indenture (with respect to all Outstanding Bonds or any part of one or more series of Outstanding Bonds being refunded), which Defeasance Obligations and moneys shall be held in trust and used only as provided in the Indenture.

The City shall furnish to the Trustee and the Issuer at the time of delivery of the Series of Refunding Bonds a certificate of an independent certified public accountant stating that the Trustee and/or the Paying

Agent (and/or any escrow agent as shall be appointed in connection therewith) hold in trust the moneys or such Defeasance Obligations and moneys required to effect such payment at maturity or earlier redemption.

Each Series of Additional Bonds issued pursuant to Section 2.7 of the Indenture shall be equally and ratably secured under the Indenture with the Series 2021A Bonds and all other Series of Additional Bonds, if any, issued pursuant to the provisions under Section 2.7 of the Indenture, without preference, priority or distinction of any Bond over any other Bonds except as expressly provided in or permitted by the Indenture.

Notwithstanding anything in the Indenture to the contrary, no Series of Additional Bonds shall be issued unless the State Aid Depository Agreement, the Tax Compliance Documents and the Installment Sale Agreement are in effect and at the time of issuance there is no Event of Default nor any event which upon notice or lapse of time or both would become an Event of Default.

Creation of Funds and Accounts. The Issuer establishes and creates the following special trust Funds and Accounts comprising such Funds: (1) Project Fund; (2) Bond Fund with (a) Principal Account (b) Interest Account and (c) Redemption Account; and (3) Rebate Fund.

All of the Funds and Accounts created under the Indenture shall be held by the Trustee. Additional Accounts, including Accounts within the Project Fund, shall be established upon the issuance of a Series of Additional Bonds. All moneys required to be deposited with or paid to the Trustee for the credit of any Fund or Account under any provision of the Indenture and all investments made therewith shall be held by the Trustee in trust and applied only in accordance with the provisions of the Indenture, and while held by the Trustee shall constitute part of the Trust Estate and be subject to the lien of the Indenture (except moneys deposited in the Rebate Fund).

The amounts deposited in the Funds and Accounts (except the Rebate Fund) created under the Indenture shall be subject to a security interest, lien and charge in favor of the Trustee (for the benefit of the Holders of the Bonds) until disbursed as provided in the Indenture, subject to the provisions of the Indenture.

Project Fund. There shall be deposited in the Project Fund any and all amounts required to be deposited therein pursuant to the Indenture or otherwise required to be deposited therein pursuant to the Installment Sale Agreement. The amounts in the Project Fund shall be subject to a security interest, lien and charge in favor of the Trustee, for the benefit of the Bondholders, until disbursed as provided in the Indenture. The Trustee shall apply the amounts on deposit in the Project Fund to the payment, or reimbursement, to the extent the same have been paid by or on behalf of the School Parties or the Issuer, of Project Costs.

The Trustee is authorized to disburse from the Project Fund the amount required for the payment of Project Costs and is directed to issue its checks (or make wire transfers if requested by the City) for each disbursement from the Project Fund, upon a requisition submitted to the Trustee, signed by an Authorized Representative of the JSCB.

The completion of the Series 2021A Project or abandonment thereof shall be evidenced by the filing of a certificate of an Authorized Representative of the JSCB in accordance with the Installment Sale Agreement. Upon the filing of such certificate, the balance in the Project Fund, after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Documents and the section under the heading "Payments into Rebate Fund; Application of Rebate Fund" below, shall be deposited in the Bond Fund for redemption of the Bonds.

In the event the City shall be required to or shall elect to cause the Bonds to be redeemed in whole pursuant to the Installment Sale Agreement, the balance in the Project Fund, after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Documents and the section under the heading "Payments into Rebate Fund; Application of Rebate Fund" below, shall be deposited in the Bond Fund for redemption of Bonds.

All earnings on amounts held in the Project Fund, excluding earnings required no less frequently than quarterly to be transferred to the Rebate Fund in compliance with the Tax Compliance Documents and the section under the heading "Payments into Rebate Fund; Application of Rebate Fund" below, shall be maintained within the Project Fund and made available for Project Costs.

Upon the occurrence and during the continuance of an Event of Default, the balance in the Project Fund, after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Documents and the section under the heading "Payments into Rebate Fund; Application of Rebate Fund" below, shall be deposited in the Bond Fund to be applied toward redemption of the Series 2021A Bonds.

Proceeds of insurance, condemnation awards or conveyance of one or more Facilities in lieu of condemnation deposited in the Project Fund pursuant to the Installment Sale Agreement shall be disbursed in accordance with the Indenture to pay costs of replacement, repair, rebuilding in or relocation of the affected Facility or to payment of Project Costs as shall otherwise be approved by Nationally Recognized Bond Counsel and permitted under the Syracuse Schools Act or after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Documents and the section under the heading "Payments Into Rebate Fund; Application of Rebate Fund" below, transferred to the Bond Fund to be applied toward redemption of the applicable Series of Bonds.

Payments into Bond Fund. On or before November 10 of each Fiscal Year, commencing November 10, 2021, the Trustee shall deliver a Base Facilities Agreement Payment Certificate (computed as of the immediately preceding last Business Day of October of such Fiscal Year) to the Depository Bank, the Commissioner of Finance and the Collecting Officer in accordance with the State Aid Depository Agreement. The Trustee shall promptly deposit the following receipts into the Bond Fund:

(a) Proceeds from the Series 2021A Bonds shall be deposited in the Interest Account of the Bond Fund pursuant to Section 4.1 (a) of the Indenture. Upon the issuance of any Series of Additional Bonds, there shall be deposited in the Interest Account of the Bond Fund such amount, if any, of the proceeds of such Series of Additional Bonds as may be set forth in the related Supplemental Indenture.

(b) Moneys received from the Depository Bank pursuant to Section 202(g)(i) (first) of the State Aid Depository Agreement shall be deposited into the Bond Fund and applied first, to the payment of interest (and deposited in the Interest Account), second, to the payment of principal (and deposited in the Principal Account), and third, to the payment of sinking fund payments (and deposited in the Redemption Account).

(c) Moneys received from the State Comptroller pursuant to Section 5.4 of the Indenture in respect of Installment Purchase Payments and available for the payment of interest on the Bonds, which, subject to the priority for the application of such moneys so received set forth in Section 5.4 of the Indenture, shall be placed in the Interest Account of the Bond Fund and applied, together with amounts available in the Interest Account, to the payment of interest on the Bonds.

(d) Moneys received from the State Comptroller pursuant to Section 5.4 of the Indenture in respect of Installment Purchase Payments and available for the payment of principal of the Bonds, which, subject to the priority for the application of such moneys so received set forth in Section 5.4

of the Indenture, shall be placed in the Principal Account of the Bond Fund and applied, together with amounts available in the Principal Account, to the payment of principal of the Bonds.

(e) Moneys received from the State Comptroller pursuant to Section 5.4 of the Indenture in respect of Installment Purchase Payments and available for the payment of the Redemption Price of Bonds to be redeemed in whole or in part, which, subject to the priority for the application of such moneys so received set forth in Section 5.4 of the Indenture, shall be placed in the Redemption Account of the Bond Fund and applied, together with amounts available in the Redemption Account, to the payment of the Redemption Price of Bonds to be redeemed in whole or in part.

(f) The excess amounts referred to in the fourth sentence of Section 5.6(c) of the Indenture, which shall be credited to the Interest Account of the Bond Fund.

(g) Moneys transferred by the Trustee from the Redemption Account of the Bond Fund which shall be deposited in either the Interest Account or Principal Account of the Bond Fund, as so directed by an Authorized Representative of the City.

(h) Moneys transferred by the Trustee from the Project Fund to the Redemption Account of the Bond Fund as provided in Section 5.2 of the Indenture (after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Documents and Section 5.11 of the Indenture), which amounts shall be held separately by the Trustee in a restricted subaccount, and may be invested, until applied to the redemption of the applicable Series of Bonds in accordance with Section 2.3(c) of the Indenture, by the Trustee at the direction of the City, and otherwise in accordance with the requirements of Section 5.7 of the Indenture, except the certification by the City required by Section 5.7 of the Indenture shall include an additional certification by the City that the contemplated investment is not at a yield in excess of the yield on the related Series of Bonds.

(i) All other receipts when and if required by the State Aid Depository Agreement, by the Installment Sale Agreement, by the Indenture or by any other Security Document to be paid into the Bond Fund, which shall be credited (except as provided in Section 8.3 of the Indenture) to the Redemption Account of the Bond Fund and applied as provided in Section 5.6(c) of the Indenture.

In the event that any Installment Purchase Payment received by the Trustee shall be an amount insufficient to pay the interest, principal and sinking fund payments next coming due on the Bonds, such amount shall be applied first, to the payment of interest, second, to the payment of principal, and third, to the payment of sinking fund payments.

State and/or School Aid Intercept. Pursuant to the Syracuse Schools Act, in the event the City or the SCSD shall fail (for any reason, including the failure of the State or appropriate legislative body of the City to appropriate moneys for such purpose) to make a payment under the Installment Sale Agreement in the amount and by the date the same is due, as set forth in the Indenture, of which failure the Trustee has actual knowledge in the case of a failed Installment Purchase Payment (or other failed payment payable to the Trustee in its capacity as Trustee), or, in the case of any other failed payment of which the Trustee has received written notice from the party to whom such failed payment is owed under the Installment Sale Agreement, the Issuer irrevocably appoints the Trustee to act as its agent for the purpose of delivering a certificate to the State Comptroller (in substantially the form set forth in Appendix "C" attached to the Indenture), by no later than the next Business Day following the Trustee obtaining such actual knowledge or such notice of such failed payment, certifying as to such failure and setting forth the amount of such deficiency, and the State Comptroller, upon receipt of such certificate, shall, in accordance with the Syracuse Schools Act, withhold from the City and the SCSD any state and/or school aid payable to the City or the SCSD to the extent of the amount so stated in such certificate of the Trustee as not having been made,

and the State Comptroller shall immediately pay over to the Trustee on behalf of the Issuer, the amount of such state and/or school aid so withheld. In the event that the State Comptroller should receive more than one such certificate from one or more Series Trustee, the Comptroller shall disburse such amounts so withheld on a pari passu basis with respect to any and all outstanding Series of Bonds. All such state and/or school aid so received shall be applied, *first,* to deposit in the Interest Account of the Bond Fund to the extent of any deficiency therein, *second*, to deposit in the Principal Account of the Bond Fund to the extent of any deficiency therein, *third*, to deposit in the Redemption Account of the Bond Fund to the extent of any deficiency therein, *fourth*, to satisfy any obligation of the SCSD under certain indemnification provisions of the Installment Sale Agreement, *fifth* to satisfy any obligation of the JSCB on the SCSD under the liability insurance provisions of the Installment Sale Agreement, and *sixth*, to satisfy any other obligations of the School Parties under the Installment Sale Agreement.

The appointment by the Issuer of the Trustee as agent as above-described shall be deemed a non-exclusive but irrevocable appointment (coupled with an interest) and the Issuer may appoint any other Series Trustee to similar purpose under the related Series Indenture. The Trustee accepts such agency and agrees so to act on behalf of the Issuer. Any amounts of such state and/or school aid received by the Trustee from the State Comptroller shall, subject to the priority set forth in the preceding paragraph, be deemed to satisfy the obligation of the City and the SCSD to make such defaulted payment to the extent of the amount received. Any amounts of such state and/or school aid received by the Trustee from the State Comptroller that are not in respect of Installment Purchase Payments shall forthwith be forthwith paid to or upon the order of the Issuer.

The Issuer covenants and agrees that it shall enter into no agreement, indenture or other instrument, including any Series Indenture or Series Facilities Agreement, in connection with the issuance of a Series of Project Bonds under a Series Indenture which shall have the effect, directly or indirectly, of providing a greater priority or preference to the intercept under the Syracuse Schools Act of state and/or school aid payable to the City or the SCSD than the pledge effected pursuant to the Indenture; provided, however, that nothing contained in the Indenture shall be deemed (y) to limit or deny the ability of the Issuer or any other public entity, in connection with the issuance of another Series of Project Bonds, to pledge such State Aid to Education on a parity with the pledge effected under the Indenture, or (z) to require that any Series of Project Bonds issued under any other Series Indenture have the same payment dates or amortize principal on a schedule comparable to that of the Bonds Outstanding under the Indenture, or that any payment dates under a Series Facilities Agreement be the same as those under the Installment Sale Agreement.

Application of Bond Fund. The Trustee shall: (i) on each Interest Payment Date on the Bonds pay or cause to be paid out of the Interest Account in the Bond Fund the interest due on the Bonds; and (ii) further pay out of the Interest Account of the Bond Fund any amounts required for the payment of accrued interest upon any redemption of Bonds.

The Trustee shall on each principal payment date on the Bonds pay or cause to be paid to the respective Paying Agents therefor out of the Principal Account of the Bond Fund, the principal amount, if any, due on the Bonds, upon the presentation and surrender of the requisite Bonds (such presentation and surrender not being required if Cede & Co. is the Holder of the Bonds).

Amounts in the Redemption Account of the Bond Fund shall be applied, at the written direction of the City, as promptly as practicable, to the purchase of Bonds of a Series as directed by the City at prices not exceeding the Redemption Price thereof applicable on the earliest date upon such Series of Bonds are next subject to optional redemption, plus in each case accrued interest to the date of redemption (accrued interest on such Bonds being payable out of the Interest Account of the Bond Fund). Any Bonds purchased in lieu of a mandatory redemption shall be surrendered to the Trustee for cancellation. Any amount in the Redemption Account not so applied to the purchase of Bonds by forty-five (45) days prior to the next date

on which the Bonds are so redeemable shall be applied to the redemption of Bonds on such redemption date; provided that if such amount aggregates less than $5,000, it need not be then applied to such redemption. Any amounts deposited in the Redemption Account and not applied within twelve (12) months of their date of deposit to the purchase or redemption of Bonds (except if held in accordance with the section under the heading "Defeasance" below) shall be transferred to the Interest Account. The Bonds to be purchased or redeemed shall be selected by the Trustee in the manner provided in the section under the heading "Selection of Bonds to be Redeemed" below. Amounts in the Redemption Account to be applied to the redemption of Bonds shall be paid to the respective Paying Agents on or before the redemption date and applied by them on such redemption date to the payment of the Redemption Price of the Bonds being redeemed plus interest on such Bonds accrued to the redemption date (accrued interest on such Bonds being payable from the Interest Account of the Bond Fund).

Moneys in the Redemption Account of the Bond Fund which are not set aside or deposited for the redemption or purchase of Bonds shall be transferred by the Trustee to the Interest Account or the Principal Account of the Bond Fund, as directed by an Authorized Representative of the City.

In the event of the issuance of a Series of Refunding Bonds pursuant to the section under the heading "Additional Bonds" above, the Trustee shall, upon the written direction of the City, withdraw from the specified Accounts of the Bond Fund those amounts deposited in each such Account so specified held for the payment of the principal, Sinking Fund Installments, Redemption Price and interest on the Series of Bonds or principal portion thereof to be refunded, provided, however, that such withdrawal shall not be made unless (i) immediately thereafter, the Series of Bonds or principal portion thereof being refunded shall be deemed to have been paid pursuant to the section under the heading "Defeasance" below, and (ii) the amount remaining in each Account of the Bond Fund after such withdrawal shall not be less than that amount otherwise then required to be on deposit in each such Account to pay the principal, Sinking Fund Installments, Redemption Price and interest of those Series of Bonds or principal portions thereof not being refunded.

Investment of Funds and Accounts. Amounts in the Bond Fund, the Project Fund and the Rebate Fund, may, if and to the extent then permitted by law, be invested only in Qualified Investments. Any investment authorized by the Indenture is subject to the condition that no portion of the proceeds derived from the sale of the Bonds shall be used, directly or indirectly, in such manner as to cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code. Such investments shall be made by the Trustee only at the written request of an Authorized Representative of the City. Any investment under the Indenture shall be made in accordance with the Tax Compliance Documents, and the City shall so certify to the Trustee with each such investment direction as referred to below. Such investments shall mature in such amounts and at such times as may be necessary to provide funds when needed to make payments from the applicable Fund. Net income or gain received and collected from such investments shall in the case of the Project Fund or the Bond Fund, be credited and losses charged to such Fund, as applicable, subject however to Section 5.11 of the Indenture.

Upon timely request of an Authorized Representative of the City, the Trustee shall notify the City ten (10) days prior to each Installment Purchase Payment Date under the Installment Sale Agreement of the amount of such net investment income or gain received and collected subsequent to the last such Installment Purchase Payment and the amount then available in the Project Fund and in each Account of the Bond Fund.

Upon the written direction of an Authorized Representative of the City, the Trustee shall sell at the best price reasonably obtainable, or present for redemption or exchange, any obligations in which moneys shall have been invested to the extent necessary to provide cash in the respective Funds or

Accounts, to make any payments required to be made therefrom, or to facilitate the transfers of moneys or securities between various Funds and Accounts as may be required from time to time pursuant to the provisions of this Article. The Trustee shall not be liable for any losses incurred as a result of actions taken in good faith in accordance with Section 5.7(c) of the Indenture. As soon as practicable after any such sale, redemption or exchange, the Trustee shall give notice thereof to the Agency and the City.

In computing the amount in any Fund or Account, obligations purchased as an investment of moneys therein shall be valued at fair market value as determined by the Trustee on the last Business Day of each October.

The fair market value of Qualified Investments shall be determined as follows:

(1) as to investments the bid and asked prices of which are published on a regular basis in *The Wall Street Journal* (or, if not there, then in *The New York Times*), the average bid and asked prices for such investments so published on or most recently prior to such time of determination;

(2) as to investments the bid and asked prices of which are not published on a regular basis in *The Wall Street Journal* or *The New York Times*, the average bid price at such nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or as quoted in the Interactive Data Service; and

(3) as to certificates of deposit and bankers acceptances and other investments, the face amount thereof, plus accrued interest.

If more than one provision of this definition of "fair market value" shall apply at any time to any particular investment, the fair market value thereof at such time shall be determined in accordance with the provision establishing the lowest value for such investment.

Neither the Trustee nor the Agency shall be liable for any loss arising from, or any depreciation in the value of any obligations in which moneys of the Funds and Accounts shall be invested. The investments authorized by Section 5.7 of the Indenture shall at all times be subject to the provisions of applicable law, as amended from time to time.

Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Trustee for the credit of any Fund or Account under any provision of the Indenture (excluding the Rebate Fund) and all investments made therewith shall be held by the Trustee in trust for the benefit of the Bondholders and while held by the Trustee constitute part of the Trust Estate, and be subject to the lien of the Indenture. Moneys held by the Depository Bank under the State Aid Depository Agreement are not part of the Trust Estate unless and until the same are transferred to the Trustee for deposit in the Bond Fund in accordance with the State Aid Depository Agreement. Moneys held by the Trustee in the Rebate Fund are not part of the Trust Estate nor subject to the lien of the Indenture.

Repayment to the City For the Benefit of the SCSD from the Funds. After payment in full of the Bonds (in accordance with the defeasance provisions of the Indenture) and the payment of all fees, charges and expenses of the Issuer, the Trustee, the Bond Registrar and the Paying Agents and all other amounts required to be paid under the Indenture and under each of the Security Documents, and the payment of any amounts are required to be rebated to the federal government pursuant to the Indenture and the Tax Compliance Documents, all amounts remaining in the Project Fund and the Bond Fund shall be paid to the

City for the SCSD upon the expiration or sooner or later termination of the term of the Installment Sale Agreement.

Payments into Rebate Fund; Application of Rebate Fund. The Rebate Fund and the amounts deposited therein shall not be subject to a security interest, pledge, assignment, lien or charge in favor of the Trustee or any Bondholder or any other Person.

The Trustee, following the receipt of a certificate of written direction from an Authorized Representative of the City pursuant to the Tax Compliance Documents, shall deposit in the Rebate Fund that amount from the Project Fund, as shall be so specified in such certificate of written direction as necessary to satisfy the requirements of the Tax Compliance Documents. .

In the event that the amount on deposit in the Rebate Fund exceeds the Rebate Requirement as determined in accordance with the Tax Compliance Documents, the Trustee, upon the receipt of written instructions from an Authorized Representative of the City, shall withdraw such excess amount and deposit it: (i) to any Account of the Project Fund; or (ii) to the Interest Account of the Bond Fund, as the City shall determine.

The Trustee, upon receipt of written instructions from an Authorized Representative of the City, shall pay to the United States, out of amounts in the Rebate Fund, (i) not less frequently than once each five (5) years after the date of original issuance of each Series of the Bonds, an amount such that, together with prior amounts paid to the United States, the total paid to the United States is equal to 90% of the Rebate Requirement with respect to such Series of Bonds as of the date of such payment and (ii) notwithstanding the provisions of the section under the heading "Defeasance" below, not later than thirty (30) days after the date on which all Bonds have been paid in full, 100% of the Rebate Requirement as of the date of payment.

The Trustee shall have no obligation under the Indenture to transfer any amounts to the Rebate Fund unless the Trustee shall have received specific written instructions from an Authorized Representative of the City to make such transfer.

Selection of Bonds to Be Redeemed. In the event of redemption of less than all the Outstanding Bonds of the same Series and maturity for which there is more than one registered Bond, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee in such manner as the Trustee in its discretion may deem fair. In the event of redemption of less than all the Outstanding Bonds of the same Series stated to mature on different dates, the principal amount of such Series of Bonds to be redeemed shall be applied in such order of maturity as shall be directed by an Authorized Representative of the City delivered to the Trustee, or, in the absence of any such direction, inverse order of maturity of the Outstanding Series of Bonds to be redeemed and randomly within a maturity; provided, however, that in the case of any redemption of a Series of Bonds in accordance with the Indenture, the Authorized Representative of the City shall select the Bonds to be redeemed only (x) in inverse order of maturity, or (y) proportionately to each Outstanding maturity of the Bonds of such Series. If it is determined that one or more, but not all, of the units of principal amount represented by any such Bond is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Holder of such Bond shall forthwith surrender such Bond to the Trustee for: (a) payment to such Holder of the Redemption Price of the unit or units of principal amount called for redemption; and (b) delivery to such Holder of a new Bond or Bonds of such Series in the aggregate unpaid principal amount of the unredeemed balance of the principal amount of such Bond. New Bonds of the same Series and maturity representing the unredeemed balance of the principal amount of such Bond shall be issued to the registered Holder thereof, without charge therefor. If the Holder of any such Bond of a denomination greater than a unit shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and

payable on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

No Partial Redemption After Default. Anything in the Indenture to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default thereunder, there shall be no redemption of less than all of the Bonds Outstanding other than a redemption required with respect to excess bond proceeds or insurance or condemnation proceeds unless there shall have been delivered to the Trustee an opinion of Nationally Recognized Bond Counsel that the failure to redeem Bonds to the extent of such proceeds shall not have an adverse effect on the tax-exempt status of interest on the Bonds.

Payment of Principal and Interest. The Issuer covenants that it will from the sources contemplated by the Indenture promptly pay or cause to be paid the principal of and interest on the Bonds, and the Redemption Price, if any, together with interest accrued thereon to the date of redemption, at the place, on the dates and in the manner provided in the Indenture and in the Bonds according to the true intent and meaning thereof. All covenants, stipulations, promises, agreements and obligations of the Issuer contained in the Indenture shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, officer, director, employee or agent thereof in his individual capacity, and no resort shall be had for the payment of the principal of, redemption premium, if any, or interest on the Bonds or the Redemption Price, if any, together with interest accrued thereon to the date of redemption or for any claim based thereon against any such member, officer, director, employee or agent or against any natural person executing the Bonds. Neither the Bonds, the principal thereof, the interest thereon, nor the Redemption Price thereof, if any, together with interest accrued thereon to the date of redemption, shall ever constitute a debt of the State or of the City and neither the State nor the City shall be liable on any obligation so incurred, and the Bonds shall not be payable out of any funds of the Issuer other than those pledged therefor. The Issuer shall not be required under the Indenture or the Installment Sale Agreement or any other Security Document to expend any of its funds other than (i) the proceeds of the Bonds, (ii) the Installment Purchase Payments pledged to the payment of the Bonds, and (iii) any income or gains therefrom.

Performance of Covenants; Authority. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Indenture, in any and every Bond executed, authenticated and delivered under the Indenture and in all proceedings pertaining thereto. The Issuer covenants that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the IDA Act, and the Syracuse Schools Act, to issue the Bonds authorized by the Indenture and to execute the Indenture, to sell its interest in the Facilities pursuant to the Installment Sale Agreement, to assign the Installment Sale Agreement and to pledge the Installment Purchase Payments pledged in the manner and to the extent set forth in the Indenture; that all action on its part for the issuance of the Bonds and the execution and delivery of the Indenture have been duly and effectively taken; and that the Bonds in the hands of the Holders thereof are and will be the valid and enforceable special obligations of the Issuer according to the import thereof.

Creation of Liens; Indebtedness; Sale of Facilities. Except to the extent contemplated in the last paragraph under the heading "State and/or School Aid Intercept" above with respect to the issuance of Project Bonds under a Series Indenture other than the Indenture, the Issuer shall not create or suffer to be created, or incur or issue any evidences of indebtedness secured by, any lien or charge upon or pledge of the Trust Estate, except the lien, charge and pledge created by the Indenture, the Pledge and Assignment and the Installment Sale Agreement. The Issuer further covenants and agrees not to sell (except pursuant to the Installment Sale Agreement), convey, transfer, lease, sublease, mortgage or encumber the real property constituting part of the Facilities or any of them or any part of such real property, except as specifically permitted under the Indenture and the Installment Sale Agreement, so long as any of the Bonds

are Outstanding. The Issuer shall have no pecuniary liability for its covenants set forth in the Indenture, including those described under this heading.

Issuer Tax Covenant. The Issuer covenants that it shall not take any action within its control, nor refrain from taking any action reasonably requested by the School Parties or the Trustee, which would cause the interest on the Bonds to become includable in gross income for federal income tax purposes; provided, however, the breach of this covenant shall not result in any pecuniary liability of the Issuer and the only remedy to which the Issuer shall be subject shall be specific performance.

Events of Default; No Acceleration of Due Date. Each of the following events shall constitute an "Event of Default":

(1) Failure to duly and punctually pay the interest on any Bond when the same shall become due and payable;

(2) Failure to duly and punctually pay the principal or redemption premium, if any, of any Bonds, when the same shall become due and payable, whether at the stated maturity thereof or upon proceedings for redemption thereof or otherwise, or interest accrued thereon to the date of redemption after notice of redemption therefor or otherwise;

(3) Failure of the Issuer to observe or perform any covenant, condition or agreement in the Bonds or under the Indenture on its part to be performed (except as set forth in subparagraphs (1) and (2) above)) and (A) continuance of such failure for a period of thirty (30) days after receipt by the Issuer and the School Parties of written notice specifying the nature of such default from the Trustee, or the Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, or (B) if by reason of the nature of such default the same can be remedied, but not within the said thirty (30) days, the Issuer or the School Parties fail to proceed with reasonable diligence after receipt of said notice to cure the same or fails to continue with reasonable diligence its efforts to cure the same; and

(4) The occurrence of an "Event of Default" under Section 8.1(c) of the Installment Sale Agreement.

In no event shall the principal of any Bond be declared due and payable in advance of its final stated maturity, anything in the Indenture or in any of the Bonds contained to the contrary notwithstanding.

Enforcement of Remedies. Subject to the last paragraph of the immediately preceding heading, upon the occurrence and continuance of any Event of Default, then and in every case the Trustee may proceed and, upon the written request of the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding to protect and enforce its rights and the rights of the Bondholders under the IDA Act, the Syracuse Schools Act, the Bonds, the Installment Sale Agreement, the Indenture and under any other Security Document forthwith by such suits, actions or special proceedings in equity (including mandamus) or at law, or by proceedings in the office of any board or officer having jurisdiction, whether for the specific performance of any covenant or agreement contained in the Indenture or in any other Security Document or in aid of the execution of any power granted in the Indenture or in any other Security Document or in the IDA Act or the Syracuse Schools Act or for the enforcement of any legal or equitable rights or remedies as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights or to perform any of its duties under the Indenture or under any other Security Document. In addition to any rights or remedies available to the Trustee under the Indenture or elsewhere, upon the occurrence and continuance of an Event of Default the Trustee may take such action, without notice or demand, as it deems advisable, to the extent permitted by law.

In the enforcement of any right or remedy under the Indenture, under any other Security Document, under the IDA Act or under the Syracuse Schools Act, the Trustee shall be entitled to sue for, enforce payment on and receive any or all amounts then or during any default becoming, and any time remaining, due from the Issuer, for principal, interest, Redemption Price, or otherwise, under any of the provisions of the Indenture, of any other Security Document or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in the Bonds, together with any and all costs and expenses of collection and of all proceedings under the Indenture, under any such other Security Document and under the Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce judgment or decree against the Issuer, but solely as provided in the Indenture and in the Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from the moneys in the Bond Fund and other moneys available therefor to the extent provided in the Indenture) in any manner provided by law, the moneys adjudged or decreed to be payable. The Trustee shall file proof of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Bondholders allowed in any judicial proceedings relative to the School Parties or the Issuer or their creditors or property.

Regardless of the occurrence of an Event of Default, the Trustee, if requested in writing by the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding, and in each case furnished with reasonable security and indemnity, shall institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under the Indenture or under any other Security Document by any acts which may be unlawful or in violation of the Indenture or of such other Security Document or of any resolution authorizing any Bonds, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders; provided, that such request shall not be otherwise than in accordance with the provisions of law and of the Indenture and shall not be unduly prejudicial to the interests of the Holders of the Bonds not making such request.

Application of Revenues and Other Moneys After Default. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture or under any other Security Document shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances (including legal fees and expenses) incurred or made by the Trustee, be deposited in the Bond Fund and all moneys so deposited and available for payment of the Bonds shall be applied, subject to the provisions of the Indenture relating to compensation of the Trustee, the Bond Registrar and the Paying Agents, as follows:

First: To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege; and

Second: To the payment to the Persons entitled thereto of the unpaid principal or Redemption Price, if any, of any of the Bonds or principal installments which shall have become due (other than Bonds or principal installments called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, with interest on such Bonds, at the rate or rates expressed thereon, from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full Bonds or principal installments due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or privilege.

After payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances (including legal fees and expenses) incurred or

made by the Trustee, the funds realized following the occurrence of an Event of Default shall be applied *first*, as provided in paragraph First and Second of this heading; *second*, to pay any amounts which the School Parties are required to rebate to the federal government pursuant to the Indenture and the Tax Compliance Documents; *third*, to satisfy any obligation of the SCSD regarding indemnification of the Issuer and the Trustee; *fourth*, to satisfy any obligation of the JSCB and the SCSD regarding the maintenance of liability insurance; and *fifth*, to satisfy any other obligations of the School Parties under the Installment Sale Agreement. Nothing outlined under this heading shall be deemed to modify the application of state and/or school aid payable to City or the SCSD pursuant to the provisions outlined above under the heading "State and/or School Aid Intercept."

Whenever moneys are to be applied pursuant to the above provisions, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such written notice to all Bondholders promptly upon receipt of the deposit with it of any such moneys of such deposit and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Actions by Trustee. All rights of actions under the Indenture, under any other Security Document or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Bonds, and any recovery of judgment shall, subject to the provisions outlined above under the heading "Application of Revenues and Other Moneys After Default," be for the equal benefit of the Holders of the Outstanding Bonds.

Majority Bondholders Control Proceedings. The Holders of a majority in aggregate principal amount of the Bonds then Outstanding, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

Individual Bondholder Action Restricted. No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provisions of the Indenture or of any other Security Document or the execution of any trust under the Indenture or for any remedy under the Indenture or under any other Security Document, unless such Holder shall have previously given to the Trustee written notice of the occurrence of an Event of Default as provided in the Indenture, and the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity either to exercise the powers granted in the Indenture or in such other Security Document or by the IDA Act or the Syracuse Schools Act or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee adequate security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of sixty (60) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his, its or their action to affect, disturb or prejudice the pledge created by the Indenture, or to enforce any right under the Indenture except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of the Indenture shall be instituted, had and

maintained in the manner provided in the Indenture and, subject to the provisions described under the headings "Application of Revenues and Other Moneys After Default" and "Bond Insurer or Majority Bondholders Control Proceedings" above, be for the equal benefit of all Holders of the Outstanding Bonds, to the extent permitted by law.

Nothing in the Indenture, in any other Security Document or in the Bonds contained shall affect or impair the right of any Bondholder to payment of the principal or Redemption Price, if applicable, of, and interest on any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal or Redemption Price, if applicable, of, and interest on each of the Bonds to the respective Holders thereof at the time, place, from the source and in the manner provided in the Indenture and in said Bonds expressed.

Effect of Discontinuance of Proceedings. In case any proceedings taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case, the Issuer, the Trustee and the Bondholders shall be restored, respectively, to their former positions and rights under the Indenture, and all rights, remedies, powers and duties of the Trustee shall continue as in effect prior to the commencement of such proceedings.

Remedies Not Exclusive. No remedy by the terms of the Indenture conferred upon or reserved to the Trustee or to the Holders of the Bonds is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given under the Indenture or existing at law or in equity or by statute.

Delay or Omission. No delay or omission of the Trustee, of any Holder of the Bonds to exercise any right or power arising upon any default shall impair any right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by the Indenture to the Trustee and the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Bondholders.

Notice of Default. The Trustee shall promptly mail to the Issuer, to registered Holders of Bonds and to the School Parties by registered or certified mail, postage prepaid, return receipt requested, written notice of the occurrence of any Event of Default. The Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail any notice required under this heading.

Waivers of Default. The Trustee shall waive any default under the Indenture and its consequences only upon the written request of the Holders of at least a majority in aggregate principal amount of all the Bonds then Outstanding; provided, however, that there shall not be waived without the consent of the Holders of all the Bonds Outstanding (a) any default in the payment of the principal of any Outstanding Bonds at the date specified therein or (b) any default in the payment when due of the interest on any such Bonds, unless, prior to such waiver, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest in respect of which such default shall have occurred, and all arrears of payment of principal when due, as the case may be, and all expenses of the Trustee and reasonable legal fees and expenses in connection with such default shall have been paid or provided for, and in case of any such waiver, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver shall extend to any subsequent or other default, or impair any right consequent thereon.

Indemnity. The Trustee shall be under no obligation to institute any suit, or to take any remedial action under the Indenture or under any other Security Document or to enter any appearance or in any way

defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts created or in the enforcement of any rights and powers under the Indenture, or under any other Security Document, until it shall be indemnified to its satisfaction against any and all reasonable compensation for services, costs and expenses, outlays, and counsel fees and other disbursements, and against all liability not due to its willful misconduct, unlawful conduct or gross negligence.

Approvals or Consents by Trustee. The Trustee shall grant no approval, request or consent under the Security Documents except at the direction of the Holders of a majority in aggregate principal amount of the affected Series of Bonds Outstanding.

Defeasance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds the principal or Redemption Price, if applicable, of, interest and all other amounts due or to become due thereon or in respect thereof, at the times and in the manner stipulated therein and in the Indenture, and all fees and expenses and other amounts due and payable under the Indenture and the Installment Sale Agreement and any other amounts required to be rebated to the federal government pursuant to the Tax Compliance Documents or the Indenture, shall be paid in full or duly provided for, then the pledge of the Installment Purchase Payments under the Indenture and the estate and rights thereby granted, and all covenants, agreements and other obligations of the Issuer to the Bondholders under the Indenture shall thereupon cease, terminate and become void and be discharged and satisfied and the Bonds shall thereupon cease to be entitled to any lien, benefit or security under the Indenture, except as to moneys or securities held by the Trustee or the Paying Agents as provided below. At the time of such cessation, termination, discharge and satisfaction, the Trustee and the Paying Agents shall pay over or deliver to the City for the benefit of the SCSD or on its order all moneys or securities held by them pursuant to the Indenture which are not required: (i) for the payment of principal or Redemption Price, if applicable, or interest on Bonds not theretofore surrendered for such payment or redemption; (ii) for the payment of all such other amounts due or to become due under the Security Documents; or (iii) for the payment of any amounts to the federal government under the Tax Compliance Documents or the Indenture.

Bonds or interest installments for the payment or redemption of which moneys (and/or Defeasance Obligations which shall not be subject to call or redemption or prepayment prior to maturity and the full and timely payment of the principal of and interest on which when due, together with the moneys, if any, set aside at the same time, will provide funds sufficient for such payment or redemption) shall then be set aside and held in trust by the Trustee or Paying Agents, whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in first paragraph under this heading, if: (i) in case any such Bonds are to be redeemed prior to the maturity thereof, all action necessary to redeem such Bonds shall have been taken and notice of such redemption shall have been duly given or provision satisfactory under the requirements of the Indenture to the Trustee shall have been made for the giving of such notice; and (ii) if the maturity or redemption date of any such Bond shall not then have arrived, provision shall have been made by deposit with the Trustee or other methods satisfactory to the Trustee for the payment to the Holders of any such Bonds upon surrender thereof of the full amount to which they would be entitled by way of principal or Redemption Price and interest and all other amounts then due under the Security Documents to the date of such maturity or redemption, and provision satisfactory to the Trustee shall have been made for the mailing of a notice to the Holders of such Bonds that such moneys are so available for such payment.

Prior to any defeasance becoming effective as provided in the immediately preceding paragraph, there shall have been delivered to the Issuer and to the Trustee (A) an opinion of Nationally Recognized Bond Counsel addressed to, and acceptable in form and substance to, the Issuer and the Trustee to the effect that interest on any Bonds being discharged by such defeasance will not become subject to federal income taxation by reason of such defeasance, and that the Bonds being defeased are no longer "Outstanding" under the Indenture; (B) a verification report from an independent certified public accountant or firm of

independent certified public accountants or other recognized consultant or verification agent (in each case reasonably acceptable to the Issuer and to the Trustee) to the effect that the moneys and/or Defeasance Obligations are sufficient, without reinvestment, to pay the principal of, interest on, and redemption premium, if any, of the Bonds to be defeased on the maturity or redemption date, as applicable; (C) an escrow deposit agreement (reasonably acceptable to the Issuer and the Trustee); and (D) a certificate of discharge of the Trustee with respect to the Bonds being defeased.

Supplemental Indentures Without Bondholders' Consent. The Issuer and the Trustee may, from time to time and at any time, enter into Supplemental Indentures without consent of the Bondholders, for any of the following purposes:

(1) To cure any formal defect, omission or ambiguity in the Indenture or in any description of property subject to the lien of the Indenture, if such action is not materially adverse to the interests of the Bondholders.

(2) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred and which are not contrary to or inconsistent with the Indenture as theretofore in effect.

(3) To add to the covenants and agreements of the Issuer in the Indenture other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with the Indenture as theretofore in effect.

(4) To add to the limitations and restrictions in the Indenture other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with the Indenture as theretofore in effect.

(5) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Indenture, of the Installment Purchase Payments or of any other moneys, securities or funds, or to subject to the lien or pledge of the Indenture additional revenues, properties or collateral.

(6) To modify or amend such provisions of the Indenture as shall, in the opinion of Nationally Recognized Bond Counsel, be necessary to assure the federal tax exemption of the interest on the Bonds.

(7) To authorize the issuance of a Series of Additional Bonds and prescribe the terms, forms and details thereof not inconsistent with the Indenture.

(8) To effect any other change in the Indenture which, in the judgment of the Trustee, is not to the material prejudice of the Trustee or the Bondholders.

(9) To effect the delivery of a Credit Facility and/or a Qualified Swap for a Series of Bonds.

(10) To modify, amend or supplement the Indenture or any Supplemental Indenture in such manner as to permit the qualification of either thereof under the Trust Indenture Act of 1939 or any similar federal statute in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to the Indenture or any Supplemental Indenture such

other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute.

(11) To permit the appointment of a co-trustee under the Indenture.

Before the Issuer and the Trustee shall enter into any Supplemental Indenture pursuant to the Indenture, there shall have been filed with the Trustee an opinion of Nationally Recognized Bond Counsel stating that such Supplemental Indenture is authorized or permitted by the Indenture and complies with its terms, and that upon execution it will be valid and binding upon the Issuer in accordance with its terms.

Supplemental Indentures With Consent of Bondholders. Subject to the terms and provisions contained in the Indenture, the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right from time to time, to consent to and approve the entering into by the Issuer and the Trustee of any Supplemental Indenture as shall be deemed necessary or desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture; provided, however, that if any such Supplemental Indenture would affect only the Holders of a single Series of Bonds then Outstanding, then only the consent of the Holders of a majority in aggregate principal amount of the Bonds Outstanding of such affected Series of Bonds shall be required. Nothing contained in the Indenture shall permit, or be construed as permitting, (i) a change in the times, amounts or currency of payment of the principal of, redemption premium, if any, or interest on any Outstanding Bonds, a change in the terms of redemption or maturity of the principal of or the interest on any Outstanding Bonds, or a reduction in the principal amount of or the Redemption Price of any Outstanding Bond or the rate of interest thereon, or any extension of the time of payment thereof, or a change in the method of determining the rate of interest on any Bond, without the consent of the Holder of such Bond, (ii) the creation of a lien upon or pledge of Installment Purchase Payments other than the liens or pledge created by the Indenture, except as provided in the Indenture with respect to Additional Bonds, (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds, (iv) a reduction in the aggregate principal amount of Bonds required for consent to such Supplemental Indenture, or (v) a modification, amendment or deletion with respect to any of the terms set forth in this paragraph, without, in the case of items (ii) through and including (v) of this paragraph, the written consents of one hundred percent (100%) of the Holders of the Outstanding Bonds.

If at any time the Issuer shall determine to enter into any Supplemental Indenture for any of the purposes of this heading, it shall cause notice of the proposed Supplemental Indenture to be mailed, postage prepaid, to S&P, Moody's and all Bondholders at least ten (10) days prior to the effective date thereof. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture, and shall state that a copy thereof is on file at the offices of the Trustee for inspection by all Bondholders.

Within one year after the date of such notice, the Issuer and the Trustee may enter into such Supplemental Indenture in substantially the form described in such notice only if there shall have first been filed with the Trustee (i) the written consents of the Holders of not less than a majority, or one hundred percent (100%), as the case may be, in aggregate principal amount of the Bonds then Outstanding (or, if such Supplemental Indenture shall affect only a single Series of Bonds, then only the written consent of the written consents of the Holders of not less than a majority in aggregate principal amount of the affected Series of Bonds Outstanding); and (ii) an opinion of Nationally Recognized Bond Counsel stating that such Supplemental Indenture is authorized or permitted by the Indenture and complies with its terms, and that upon execution it will be valid and binding upon the Issuer in accordance with its terms. Any such consent shall be binding upon the Holder of the Bonds giving such consent and upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Bonds giving such consent

or a subsequent Holder thereof by filing such revocation with the Trustee prior to the execution of such Supplemental Indenture.

The Holders of not less than the percentage of Bonds required by this Section shall have consented to and approved the execution thereof as provided in the Indenture, no Holder of any Bond shall have any right to object to the execution of such Supplemental Indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Issuer from executing the same or from taking any action pursuant to the provisions thereof.

Upon the execution of any Supplemental Indenture pursuant to the provisions of this Section, the Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the Issuer, the Trustee and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced under the Indenture, subject in all respects to such modifications and amendments.

Rights of School Parties. Any Supplemental Indenture which materially and adversely affects any rights, powers and authority of the School Parties under the Installment Sale Agreement or requires a revision of the Installment Sale Agreement shall not become effective unless and until the School Parties shall have given their written consent to such Supplemental Indenture signed by an Authorized Representative of each of the School Parties.

Amendments of Related Security Documents Not Requiring Consent of Bondholders. Subject to the heading immediately below, the Issuer and the Trustee may, without the consent of or notice to the Bondholders, consent to any amendment, change or modification of any of the Related Security Documents for any of the following purposes: (i) to cure any ambiguity, inconsistency, formal defect or omission therein; (ii) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may be lawfully granted or conferred; (iii) to subject thereto additional revenues, properties or collateral; (iv) to provide for the issuance of a Series of Additional Bonds; (v) to evidence the succession of a successor Trustee or to evidence the appointment of a separate or co-Trustee or the succession of a successor separate or co-Trustee; (vi) to make any change required in connection with a permitted amendment to a Related Security Document or a permitted Supplemental Indenture; and (vii) to make any other change that, in the judgment of the Trustee (which, in exercising such judgment, may conclusively rely, and shall be protected in relying, in good faith, upon an Opinion of Counsel or an opinion or report of accountants or other experts) does not materially adversely affect the Bondholders. The Trustee shall have no liability to any Bondholder or any other Person for any action taken by it in good faith pursuant to the Indenture. Before the Issuer or the Trustee shall enter into or consent to any amendment, change or modification to any of the Related Security Documents, there shall be filed with the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change or modification will not adversely affect the exclusion from federal income taxation of interest on any Series of Bonds Outstanding.

Amendments of Related Security Documents Requiring Consent of the Bondholders. Except as provided in the immediately preceding heading, the Issuer and the Trustee shall not consent to any amendment, change or modification of any of the Related Security Documents, without mailing of notice and the written approval or consent of the Holders of a majority in aggregate principal amount of the Bonds Outstanding given and procured as provided in the heading "Supplemental Indentures with Consent of Bondholders" above (or, if such amendment, change or modification shall only affect one Series of Bonds, the consent of the Holders of not less than a majority in aggregate principal amount of the affected Series of Bonds Outstanding); provided, however, there shall be no amendment, change or modification to (i) the obligation of the City and the SCSD to make Installment Purchase Payments under the Installment Sale

Agreement (except as provided therein or in connection with the issuance of a Series of Additional Bonds), without the prior written approval of the Holders of 100% in aggregate principal amount of the Bonds at the time Outstanding given and procured as provided in the heading "Supplemental Indentures With Consent of Bondholders" above (or, if such amendment, change or modification shall affect only one Series of Bonds, the consent of the Holders of one hundred percent (100%) in aggregate principal amount of the affected Series of Bonds Outstanding), or (ii) the Tax Compliance Documents without the delivery of an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change, modification, reduction or postponement will not cause the interest on such Series of Bonds to become includable in gross income for Federal income tax purposes. If at any time the School Parties shall request the consent of the Trustee to any such proposed amendment, change or modification, the Trustee shall cause notice of such proposed amendment, change or modification to be mailed to the same Persons and in the same manner as is provided in the Indenture with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders. Before the Trustee shall enter into or consent to any amendment, change or modification to any of the Related Security Documents, there shall be filed with the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change or modification will not adversely affect the exemption from federal income taxation of interest on any Series of Bonds Outstanding.

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE INSTALLMENT SALE AGREEMENT

The following is a summary of certain provisions of the Installment Sale Agreement. This summary is qualified in its entirety by reference to the document itself.

Sale of the Facilities. The Issuer sells to the City and the SCSD, and the City and the SCSD purchase from the Issuer, the Issuer's interest in the existing school buildings and existing school building sites comprising the Facilities and Equipment in their "as is," "where is" and "subject to all faults condition" and upon and subject to the terms and conditions set forth in the Installment Sale Agreement. The SCSD shall at all times during the Agreement Term occupy, maintain, use and operate each of the Facilities, or cause each of the Facilities to be occupied, maintained, used and operated, in the same manner as existing school buildings owned by the City and operated and maintained by the SCSD as of the Closing Date and as a "project" in accordance with the provisions of the Syracuse Schools Act and the IDA Act and for the general purposes specified in the recitals to the Installment Sale Agreement. The SCSD shall not occupy, use or operate any of the Facilities or allow any of the Facilities or any part thereof to be occupied, used or operated for any unlawful purpose or in violation of any certificate of occupancy affecting any of the Facilities or which may constitute a nuisance, public or private.

Agreement Term. The Agreement Term shall commence on March 26, 2008, and shall expire on midnight (New York City time) on May 1, 2028 (but in no event sooner than the date upon which the Bonds shall cease to be Outstanding and the lien of the respective Series Indenture shall have been discharged) or such earlier date as the Bonds shall cease to be Outstanding and all amounts payable by the SCSD and/or the City hereunder have been paid in full. The Issuer hereby delivers to the SCSD and the SCSD hereby accepts sole and exclusive possession of the Facilities, subject to the terms and conditions herein set forth. The Issuer makes no representations whatsoever in connection with the condition of any of the Facilities, and the Issuer shall not be liable for any defects therein.

Termination of License. The Issuer's interest in the applicable Facilities shall be conveyed (subject to the terms of the Security Documents) from the Issuer to the SCSD and the City upon the date of completion or abandonment of the Series 2010 Project, the Series 2011 Project, the Series 2017 Project, the Series 2018A Project, the Series 2018B Project, the Series 2019A Project, the Series 2020A Project or the Series 2021A Project, respectively, as evidenced by the certificate of the JSCB delivered in accordance with the Installment Sale Agreement. The Installment Sale Agreement shall survive the transfer of the Issuer's interest in the Facilities to the SCSD and the City and shall remain in full force and effect until all of the principal of, and interest and premium, if any, on the Bonds and all other sums payable by the SCSD and/or the City under the Project Documents shall have been paid in full, and thereafter the indemnification obligations of the SCSD and release by the School Parties shall survive as set forth in the Installment Sale Agreement.

The Series 2010 Project; Series 2011 Project; Series 2017 Project; the Series 2018A Project; the Series 2018B Project; Series 2019A Project; Series 2020A Project; the Series 2021A Project. Pursuant to the License and the Bill of Sale to Issuer, respectively, the City and the SCSD have vested the Issuer with a valid license in the Facilities and title to the Equipment, which interest and title the Issuer is selling to the SCSD and the City, subject to the terms and conditions set forth in the Installment Sale Agreement.

As promptly as practicable after receipt of the proceeds of sale of a Series of Project Bonds, and out of said proceeds of sale, the JSCB will proceed as agent for and on behalf of the Issuer to

effect the construction, rehabilitation, reconstruction, and/or equipping of the respective Project, the costs thereof to be paid from the proceeds of sale of such Series of Project Bonds deposited in the Project Fund established under the applicable Series Indenture. The JSCB agrees that it will use its best efforts to cause each Project, the costs of which are financed with a Series of Project Bonds, to be completed as soon as may be practicable, delays incident to strikes, riots, acts of God, the public enemy or any delay beyond its reasonable control (as applicable) only excepted. The City and the SCSD agree that no delay in the completion of a Project, the costs of which are financed with a Series of Project Bonds, shall be the basis for any diminution in or postponement of the amounts payable hereunder by the City and the SCSD. In order to effect management of such work, with respect to each Project, the JSCB has entered into the Program Manager Agreement and as soon as practicable after the applicable Closing Date will enter into one or more Construction Contracts for construction and completion of the respective Project, the costs of which are financed with a Series of Project Bonds, in accordance with the applicable Plans and Specifications and construction schedule approved by the City Engineer. The Program Manager Agreement, each Construction Contract and each other agreement, contract, purchase order or other obligation entered into by the JSCB as agent for the Issuer shall expressly provide that the Issuer shall have no liability thereunder, except to the extent of proceeds from the sale of the Bonds which may be available therefor. As soon as practicable after the Closing Date, the JSCB shall enter into contracts with one or more Architects for completion of the Design Phase. The Issuer shall not be liable in any manner for payment or otherwise to any contractor, subcontractor, laborer or supplier of materials in connection with the purchase of any materials to be incorporated into a Facility or Facilities, except to the extent and solely from the proceeds of sale of the Bonds. In the event that moneys in the applicable Accounts within a Project Fund are not sufficient to pay the costs necessary to complete the work with respect to a Project, or pay applicable Costs or Project Costs with respect to a Project in full, none of the School Parties shall be entitled to any reimbursement therefor from the Issuer, a Series Trustee or the Holders of any of the Bonds (except from proceeds of Additional Bonds which may be issued for that purpose), nor shall the City and SCSD be entitled to any diminution of the Base Installment Purchase Payments, Installment Purchase Payments or Additional Payments to be made under the Instalment Sale Agreement.

As between the Issuer and the JSCB, the JSCB, acting specifically as agent for the benefit of the Issuer, shall be responsible for the letting and supervision of contracts for the acquisition, construction, reconstruction, and equipping of a Facility, acceptance of a completed Facility or parts thereof, and all other matters incidental thereto. All contractors, materialmen, vendors, suppliers and other companies, firms or persons furnishing labor, services, equipment, furnishings or materials for or in connection with the work with respect to a Facility shall be designated by the JSCB, either on its own or as agent for the Issuer.

As between the Issuer, on the one hand, and the School Parties, on the other hand, the School Parties shall pay: (i) all of the costs and expenses in connection with the preparation of any instruments of conveyance and transfer of an interest in the Facilities to the Issuer pursuant to the License, the Bill of Sale to Issuer, the delivery of any instruments and documents and their filing and recording, if required; (ii) all taxes and charges payable, if any, in connection with such conveyance and transfer, or attributable to periods prior to such conveyance and transfer; and (iii) all expenses or claims incurred in connection with completion of a Project, the costs of which are financed with a Series of Project Bonds, and not funded from the proceeds of sale of such Series of Project Bonds (or any other Series of Additional Bonds).

The City and SCSD covenant and agree to continue the Intermunicipal Agreement for its entire term and such additional terms as shall be required to complete all of the Projects financed with Series of Project Bonds.

The JSCB covenants that, at all times as it shall be effecting the work on a Project, the costs of which are financed with one or more Series of Project Bonds it will comply with all laws, acts, rules, regulations, permits, orders and requirements lawfully made, of any Federal, State, legislative, executive, administrative or judicial body, commission or office exercising any power of regulation or supervision over such work or over the manner of construction or operation thereof and with the conditions and requirements of all policies of liability insurance as specified in the Installment Sale Agreement. Upon completion of the work with respect to the Facilities, the JSCB will promptly obtain or cause to be obtained all required occupancy and operation permits, authorizations and licenses from appropriate authorities, if any be required, authorizing the occupancy, operation and use of such Facility for the purposes contemplated by the Installment Sale Agreement and shall furnish copies of same to the Applicable Trustee, immediately upon receipt thereof.

The JSCB further covenants that all contracts entered into by the JSCB for a Project, the costs of which are financed with one or more Series of Project Bonds in connection with the design, construction, rehabilitation, reconstruction and/or equipping of a Facility shall: (i) be made in accordance with applicable law, including, but not limited to, the Syracuse Schools Act; (ii) contain a provision that the design and construction standards therefor shall be subject to the review and approval of the New York State Education Department; and (iii) contain a provision that the contractor shall furnish a labor and material bond guaranteeing prompt payment of moneys that are due to all persons furnishing labor or materials pursuant to the related contract and a performance bond, complying with New York General Municipal Law § 103-f.

The JSCB also covenants to cause its contractors, architects, consultants and others with whom it contracts with respect to the design, construction, rehabilitation, reconstruction, and/or equipping of a Facility, to provide liability insurance coverage against all forms of risk which are appropriate, including general and professional liability insurance normally associated with the type and nature of the service, product or combination thereof, contracted to be provided by such contractors, architects, consultants and others, and to name the Issuer as an additional insured as its interest may appear. The JSCB shall promptly deliver to the Issuer appropriate certificates of insurance evidencing the amount and scope of all liability insurance provided by each contractor, architect, consultant or other person pursuant to a contract with the JSCB with respect to the design, construction, rehabilitation, reconstruction, equipping, operation, maintenance and/or repair or otherwise providing work with respect to a Facility.

Upon the completion or abandonment by the JSCB of a Project, the costs of which are financed with a Series of Project Bonds, or any portions thereof, the JSCB shall deliver a certificate of an Authorized Representative of the JSCB to the Issuer and the respective Series Trustee to such effect.

Additional Facilities. The Issuer and the School Parties recognize that, under the provisions of and subject to the conditions set forth in each Series Indenture, a Series of Additional Bonds or additional Series of Project Bonds may be issued from time to time pursuant to separate Series Indentures to finance the costs of the acquisition, construction, renovation, reconstruction, improvement, equipping and/or furnishing of Facilities and/or Additional Facilities.

Payment of Installment Purchase Payments. Subject to Section 4.4 of the Installment Sale Agreement, the City and the SCSD agree to pay or cause to be paid, the Base Installment Purchase Payments, with respect to the Series 2008A Bonds, as originally reflected on **Schedule A** to the Original Agreement; and the Installment Purchase Payments, with respect to the Series 2010 Bonds as originally

reflected on **Schedule A** of the Second Amended Agreement; Installment Purchase Payments with respect to the Series 2011 Bonds in the amounts as set forth on **Schedule A** attached to the Third Amended Agreement; Installment Purchase Payments with respect to the Series 2017 Bonds in the amounts set forth on **Schedule A** attached to the Fourth Amended Agreement; Installment Purchase Payments with respect to the Series 2018A Bonds in the amounts set forth on **Schedule A** to the Fifth Amended Agreement; Installment Purchase Payments with respect to the Series 2018B Bonds in the amounts set forth on **Schedule A** attached to the Sixth Amended Agreement; Installment Purchase Payments with respect to the Series 2019A Bonds in the amounts set forth on **Schedule A** attached to the Seventh Amended Agreement; Installment Purchase Payments with respect to the Series 2020A Bonds in the amounts set forth on **Schedule A** attached to the Eighth Amended Agreement; and Installment Purchase Payments with respect to the Series 2021A Bonds in the amounts set forth on **Schedule A** attached to the Ninth Amended Agreement. Base Installment Purchase Payments and Installment Purchase Payments must be deposited by or on behalf of the City and the SCSD, as provided in the State Aid Depository Agreement, with the respective Series Trustee by no later than each Base Installment Purchase Payment Date and Installment Purchase Payment Date, as applicable; *provided, however*, that there shall be credited against any Base Installment Purchase Payments and Installment Purchase Payments any amounts available for such purposes and on deposit in the applicable Bond Fund, including any amounts deposited to a Bond Fund pursuant to Section 5.4 of the respective Series Indenture and any amounts deposited to a Bond Fund pursuant to Section 4.1(a) of the respective Series Indenture.

Notwithstanding the foregoing and schedule of Base Installment Purchase Payments and Installment Purchase Payments, in the event the SCSD shall have failed to appropriate by November 1, commencing November 1, 2021, that amount of State Aid to Education required to make (less any amount on deposit in a Bond Fund on such November 1 and available on such date), and for the stated purpose of making, the Base Installment Purchase Payment and/or the Installment Purchase Payment due on the immediately succeeding April 1 (as set forth in **Schedule A** hereto), then: (y) the SCSD shall promptly deliver written notice of such failure to the Issuer and each Series Trustee, and (z) that Base Installment Purchase Payment and/or Installment Purchase Payment next due on such immediately succeeding April 1 (less any amount on deposit in the applicable Bond Fund on such November 1 and available on such date) shall instead be due on the November 15 immediately following such November 1 as if that November 15 were the originally scheduled Base Installment Purchase Payment Date and/or Installment Purchase Payment Date. Base Installment Purchase Payments and Installment Purchase Payments must be deposited by or on behalf of the SCSD, as provided in the State Aid Depository Agreement, with the respective Series Trustee by no later than each Base Installment Purchase Payment Date and Installment Purchase Payment Date, respectively; provided, however, that there shall be credited against any Base Installment Purchase Payment and Installment Purchase Payment, as applicable, any amounts available for such purpose and on deposit in each Bond Fund, including any amounts deposited to the Bond Fund pursuant to Section 5.4 of the respective Series Indenture, and any amounts deposited to the Bond Fund pursuant to Section 4.1(a) of the respective Series Indenture. The SCSD shall have the option to make from time to time prepayments in part of payments due as aforesaid Installment Purchase Payments with respect to a Series of Project Bonds other than with respect to the Series 2021A Bonds which shall not be subject to any prepayments hereunder, together with interest accrued and to accrue and premium, if any, to be paid on the applicable Series of Project Bonds, if, but only if, such prepayment is to be used for the redemption or defeasance of such Series of Project Bonds. The Trustee shall apply such prepayments in such manner consistent with the provisions of the Applicable Indenture as may be specified in writing by an Authorized Representative of the SCSD at the time of making such prepayment. Upon any such prepayment, the respective Series Trustee shall, if necessary, and as applicable, recalculate the schedule of Base Installment Purchase Payments or Installment Purchase Payments, as applicable as set forth in the applicable Schedule A with respect to the applicable Series of Project Bonds, in accordance with the applicable Series Indenture and deliver a revised schedule to the SCSD and the Issuer, and such revised schedule shall be deemed to replace the then-existing applicable **Schedule A**.

Direction as to Payment of Base Installment Purchase Payments and Installment Purchase Payments**.** Installment Purchase Payments shall be paid to the applicable Series Trustee for credit to the applicable Bond Fund under each Series Indenture.

Indemnification of the Issuer and Applicable Trustee and Limitation on Liability. The SCSD shall, to the maximum extent permitted by law, at all times protect, defend and hold the Issuer, any Series Trustee, any Bond Registrar, any Paying Agents and the Depository Bank and their respective officers, members, directors, employees and agents (collectively, the "***Indemnified Parties***") harmless of, from and against any and all claims (whether in tort, contract or otherwise), demands, expenses and liabilities for losses, damage, injury and liability of every kind and nature and however caused, and taxes (of any kind and by whomsoever imposed), other than, with respect to any Indemnified Party, losses arising from the gross negligence or willful misconduct of such Indemnified Party, arising upon or about any of the Facilities or resulting from, arising out of, or in any way connected with (i) the financing of the costs of the Projects and the marketing, remarketing, issuance and sale of the Bonds from time to time for such purpose, (ii) the planning, design, acquisition, site preparation, construction, renovation, equipping, furnishing, installation or financing of the Facilities or any part of any thereof or the effecting of any work done in or about any of the Facilities, (iii) any defects (whether latent or patent) in any of the Facilities, (iv) the maintenance, repair, replacement, restoration, rebuilding, upkeep, use, occupancy, ownership, leasing, subletting or operation of any of the Facilities or any portion thereof, or (v) any Project Document or other document or instrument delivered in connection herewith or therewith or the enforcement of any of the terms or provisions hereof or thereof or the transactions contemplated hereby or thereby. Such indemnification set forth above shall be binding upon the SCSD for any and all claims, demands, expenses, liabilities and taxes set forth herein and shall survive the termination of the Project Documents. Except as provided above, no Indemnified Party shall be liable for any damage or injury to the person or property of the any School Party or its officials, members, directors, officers, employees, agents or servants or persons under the control or supervision of any School Party, or any other Person who may be about any of the Facilities, due to any act or negligence of any Person other than for the gross negligence or willful misconduct of such Indemnified Party.

Each School Party releases each Indemnified Party from, and agrees, to the maximum extent permitted by law, that no Indemnified Party shall be liable for and agrees to defend, indemnify and hold each Indemnified Party harmless against any expense, loss, damage, injury or liability incurred because of any lawsuit commenced as a result of action taken by such Indemnified Party with respect to any of the matters set forth in the Installment Sale Agreement or at the direction of any School Party with respect to any of such matters above referred to; provided, however, that such indemnification by the SCSD shall not extend to any Indemnified Party whose gross negligence or willful misconduct resulted in such expense, loss, damage, injury or liability. An Indemnified Party shall promptly notify the SCSD in writing of any claim or action brought against such Indemnified Party in which indemnity may be sought against the SCSD pursuant to the Installment Sale Agreement; such notice shall be given in sufficient time to allow the SCSD to defend or participate in such claim or action, but the failure to give such notice in sufficient time shall not constitute a defense under the Installment Sale Agreement nor in any way impair the obligations of the SCSD under the Installment Sale Agreement, except that if (i) the Indemnified Party shall have had knowledge or notice of such claim or action but shall not have timely notified the SCSD of any such claim or action, (ii) the SCSD shall have had no knowledge or notice of such claim or action, and (iii) the SCSD's ability to defend or participate in such claim or action is materially impaired by reason of not having received timely notice thereof from the Indemnified Party, then the SCSD's obligation to so defend and indemnify such Indemnified Party shall be qualified to the extent (and only to the extent) of such material impairment.

The indemnifications and protections set forth in the Installment Sale Agreement shall be extended, with respect to each Indemnified Party, to its members, directors, officers, employees, agents and servants and persons under its control or supervision.

Anything to the contrary in the Installment Sale Agreement notwithstanding, the indemnification, hold harmless and release covenants of the School Parties contained in the Installment Sale Agreement shall remain in full force and effect after the termination of the Installment Sale Agreement until the later of (i) the expiration of the period stated in the applicable statute of limitations during which a claim or cause of action may be brought and (ii) payment in full or the satisfaction of such claim or cause of action and of all expenses and charges incurred by the Indemnified Party relating to the enforcement of the provisions therein specified.

None of the School Parties shall be deemed an employee, agent or servant of the Issuer or under the Issuer's control or supervision.

Nature of Obligations of the City and the SCSD. Except as otherwise provided under this heading, the obligation of the City and the SCSD to pay Installment Purchase Payments and Additional Payments shall be absolute and unconditional, and such Installment Purchase Payments and Additional Payments shall be payable without any rights of set-off, recoupment or counterclaim or deduction and without any right of suspension, deferment, diminution or reduction it might otherwise have against the Issuer, the Applicable Trustee, any purchaser of any Bond or any other person, and whether or not the Facilities or any of them are used or occupied by the School Parties or available for use or occupancy by the School Parties.

The obligation of the SCSD to pay Installment Purchase Payments shall be deemed executory only to the extent of State Aid to Education appropriated by the State and available to the City and/or the SCSD for the purpose of the Installment Sale Agreement and the State Aid Depository Agreement, and moneys budgeted by the SCSD and appropriated by the City for such purpose, and no liability on account thereof shall be incurred by the City and the SCSD beyond the amount of such moneys; *provided however,* that the failure of the City and the SCSD for any reason (including a failure by the SCSD to budget for Installment Purchase Payments, a failure by the City to approve a budget for the SCSD providing for payment of Installment Purchase Payments or a failure by the State to appropriate State Aid Revenues) to make an Installment Purchase Payment or an Additional Payment shall be deemed a failure to make a payment for purposes of the Installment Sale Agreement and the Syracuse Schools Act, and in such event, the Issuer has appointed the Applicable Trustee to act as its agent for purposes of taking action under the intercept provisions of the Syracuse Schools Act. Further, the obligation of the City and the SCSD to pay Installment Purchase Payments is not a general obligation of the City or the SCSD. Neither the full faith and credit of the City or the SCSD nor the taxing power of the City is pledged to the payment of any Installment Purchase Payment or Additional Payment due under the Installment Sale Agreement. However, the obligations of the SCSD and the City under the Installment Sale Agreement to pay Additional Payments shall be a general obligation of the City and the SCSD, executory, however, only to the extent of moneys budgeted by the SCSD and approved and appropriated therefor by the City. It is understood that neither the Installment Sale Agreement nor any representation by any public employee or officer creates any legal or moral obligation to appropriate or make moneys available for the purposes of the Installment Sale Agreement.

The obligations of the City and the SCSD under the Installment Sale Agreement, including their respective obligation to pay the Installment Purchase Payments and Additional Payments in any Fiscal Year for which the Installment Sale Agreement is in effect, shall constitute a current expense of the SCSD for such Fiscal Year and shall not constitute an indebtedness of the City or the SCSD within the meaning of any constitutional or statutory provision or other laws of the State. The only source of moneys available to the City and the SCSD for the payment of any Installment Purchase Payment coming due under the Installment Sale Agreement shall be moneys comprising State Aid to Education lawfully appropriated by

the State and available therefor from time to time to or for the benefit of the SCSD, and approved and appropriated for such purpose by the City.

The SCSD agrees that (i) its proposed expense budget for each ensuing Fiscal Year commencing with the Fiscal Year ending June 30, 2009 shall include, either as a separate item of expenditure or as an expenditure within a budget item, the amount of Installment Purchase Payments and Additional Payments to come due in such next Fiscal Year; and (ii) it shall approve payment of such Installment Purchase Payments and Additional Payments after appropriation by the City therefor. The City agrees that it shall approve a budget for the SCSD containing such item of expenditure or budget item and appropriate sufficient funds each ending Fiscal Year commencing with the Fiscal Year ending June 30, 2009 to make the Installment Purchase Payments and Additional Payments to come due in such next Fiscal Year, provided, however, that any such appropriation (y) of Installment Purchase Payments shall only be payable by the City and the SCSD to the extent of State Aid Revenues, and (z) of Additional Payments shall only be payable by the City and the SCSD to the extent contained in the SCSD budget approved by the City.

Subject to the limitations contained in the second paragraph under this heading, none of the School Parties will terminate the Installment Sale Agreement (other than such termination as is provided for therein) or be excused from performing its obligations therein for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, failure of title, or frustration of purpose, or any damage to or destruction of any of the Facilities, or the taking by eminent domain of title to or the right of temporary use of all or any part of any of the Facilities, or the failure of the Issuer to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with the Installment Sale Agreement.

The School Parties presently intend to continue the Installment Sale Agreement for its entire term and to pay all Base Installment Purchase Payments and all Installment Purchase Payments specified in the schedule attached to the Installment Sale Agreement as such Base Installment Purchase Payments come due under the terms and provisions of the Installment Sale Agreement.

No provision contained above shall be deemed to limit, impair or modify the intercept provisions of the Syracuse Schools Act or the application of the implementing provisions of the Applicable Indenture.

For purposes of this heading, references to the "approval" of the SCSD budget by the City shall include the affirmative approval of the SCSD budget by ordinance of the City's Common Council approved by the Mayor of the City or, in the absence of such an ordinance, the effectiveness by the passage of time of an SCSD budget pursuant to the charter of the City.

Directed State Aid Revenues. Pursuant to instructions, the Commissioner of Finance of the City and the President of the Board of Education have directed the State Comptroller's Office to deposit all State Aid to Education into the State Aid Depository Fund established under the State Aid Depository Agreement, and the Commissioner of Financer of the City and the President of the Board of Education have further instructed the Depository Bank, pursuant to the terms and provisions of the State Aid Depository Agreement, to transfer State Aid to Education to the Applicable Trustee and each other Series Trustee in accordance with the State Aid Depository Agreement for the purpose of, in the case of the Applicable Indenture, making deposits in the Bond Fund with respect to amounts due on the Bonds and for replenishing deficiencies in the Debt Service Reserve Fund. The City and the SCSD agree not to modify the procedures set forth in the State Aid Depository Agreement for the collection, deposit or disbursement of State Aid Revenues, except as and to the extent permitted under the State Aid Depository Agreement.

Each of the City and the SCSD acknowledges that, pursuant to the intercept provisions of the Applicable Indenture (and the Syracuse Schools Act), in the event of a failure to make a payment under the

Installment Sale Agreement in the amount and by the date the same is due (for any reason, including the failure of the SCSD or the City to budget for and appropriate moneys for such purpose and approve payment thereof with moneys appropriated therefor), the Issuer has appointed the Applicable Trustee to act as its agent under the Applicable Indenture for the purpose of delivering a certificate to the State Comptroller certifying as to such failure and setting forth the amount of such deficiency, and the State Comptroller, upon receipt of such certificate, shall be authorized to withhold from the City and the SCSD such state and/or school aid as is payable to the City or the SCSD to the extent of the amount so stated in such certificate of the Applicable Trustee as not having been made, and the State Comptroller shall immediately pay over to the Applicable Trustee on behalf of the Issuer, the amount of such state and/or school aid so withheld. Notwithstanding anything to the contrary contained in the Installment Sale Agreement, amounts of such state and/or school aid received by the Applicable Trustee on behalf of the Issuer and applied to the Installment Purchase Payments or Additional Payments shall be deemed to satisfy the obligation of the City and the SCSD to make such defaulted payment to the extent of the amount received.

Operation, Maintenance and Repair. During the Agreement Term, the SCSD shall be responsible for, and pay all costs of, operating the Facilities, maintaining the same in good and safe condition, and making all necessary repairs and replacements, interior and exterior, structural and non-structural. All replacements, renewals and repairs shall be equal in quality, class and value to the original work and be made and installed in compliance with the requirements of all governmental bodies. The Issuer shall be under no obligation to replace, service, test, adjust, erect, maintain or effect replacements, renewals or repairs of any of the Facilities, to effect the replacement of any inadequate, obsolete, worn-out or unsuitable parts of any of the Facilities, or to furnish any utilities or services for any of the Facilities and the SCSD agrees to assume full responsibility therefor.

Utilities, Taxes and Governmental Charges. The SCSD will pay or cause to be paid all charges for water, electricity, light, heat or power, sewage, telephone and other utility service, rendered or supplied upon or in connection with the Facilities during the Agreement Term.

In addition, the SCSD shall (i) pay, or make provision for payment of, all lawful taxes and assessments, including income, profits, property or excise taxes, if any, or other municipal or governmental charges, levied or assessed by any Federal, state or any municipal government upon the Issuer, the City or the SCSD with respect to or upon any of the Facilities or any part thereof or upon any payments under the Installment Sale Agreement when the same shall become due; (ii) duly observe and comply with all valid requirements of any governmental authority relative to the Facilities; (iii) not create or suffer to be created any lien or charge upon any of the Facilities or any part of any thereof, except Permitted Encumbrances, or upon the payments in respect thereof under the Installment Sale Agreement; and (iv) pay or cause to be discharged or make adequate provision to satisfy and discharge, within sixty (60) days after the same shall come into force, any lien or charge upon any of the Facilities or any part of any thereof, except Permitted Encumbrances, or upon any payments under the Installment Sale Agreement and all lawful claims or demands for labor, materials, supplies or other charges which, if unpaid, might be or become a lien upon any payments under the Installment Sale Agreement.

Additions, Enlargements and Improvements. The SCSD shall have the right at any time and from time to time during the Agreement Term, at its own cost and expense, to make such additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, any of the Facilities, as the SCSD shall deem necessary or desirable in connection with the use of such Facilities. All such additions, enlargements, improvements, expansions, repairs, reconstruction and restorations when completed shall be of such character as not to reduce or otherwise adversely affect the value of the related Facility or the rental value thereof. The cost of any such additions, enlargements, improvements, expansions, repairs, reconstruction or restorations shall be promptly paid or discharged so that the affected Facility shall at all times be free of liens for labor and materials supplied thereto other than Permitted Encumbrances.

Additional Rights of SCSD. The Issuer agrees that the SCSD shall have the right, option and privilege of erecting, installing and maintaining at its own cost and expense equipment (not constituting part of any Project) in or upon any Facility as may in the SCSD's judgment be necessary for its purposes. It is further understood and agreed that any equipment erected or installed under the provisions of this Section shall be and remain the personal property of SCSD and, if not constituting part of any Project shall not become subject to this Agreement, and may be removed, altered or otherwise changed, upon or before the termination hereof.

Liability Insurance. The JSCB shall maintain or cause to be maintained with responsible insurers, for the benefit of the Issuer and the Applicable Trustee until the later of the completion of the Projects in accordance with the provisions of the Installment Sale Agreement set forth under the heading "The Project Fund", the following kinds and the following amounts of insurance with respect to the Facilities, with such variations as shall reasonably be required to conform to customary insurance practice:

During any period of construction or reconstruction of any of the Facilities, Builders' Special Form Insurance written on "100% builders' risk completed value, non-reporting form" including coverage therein for "completion and/or premises occupancy" and coverage for property damage insurance, all of which insurance shall include coverage for removal of debris, insuring the buildings, structures, facilities, machinery, equipment, fixtures and other property included within reconstruction of any of the Facilities against loss or damage by fire, lightning, vandalism, malicious mischief and other casualties, with standard extended coverage endorsement covering perils of windstorm, hail, explosion, aircraft, vehicles and smoke (except as limited in the standard form of extended coverage endorsement at the time in use in the State) at all times in an amount such that the proceeds of such insurance shall be sufficient to prevent the School Parties, the Issuer or the Applicable Trustee from becoming a co-insurer of any loss under the insurance policies; any such insurance may limit coverage to $20,000,000 for any one Facility;

During any period of construction or reconstruction of any of the Facilities, commercial public liability insurance with respect to the construction activities at the Facilities in a minimum amount of $26,000,000 per occurrence and aggregate, which insurance may be effected under overall blanket or excess coverage policies, provided, however, that at least $1,000,000 is effected by a comprehensive liability insurance policy; and

Workers' compensation insurance and such other forms of insurance which the City, the SCSD or the Issuer is required by law to provide covering loss resulting from injury, sickness, disability or death of the employees of any contractor or subcontractor performing work with respect to any of the Facilities included within the Projects; the JSCB shall require that all said contractors and subcontractors shall maintain all forms or types of insurance with respect to their employees required by law.

Prior to the commencement of construction of the Facilities, the JSCB shall deliver or cause to be delivered to the Issuer and to the Applicable Trustee duplicate copies of insurance policies obtained by the JSCB under the Installment Sale Agreement and/or binders evidencing compliance with the insurance requirements of the Installment Sale Agreement. If any change shall be made in any such insurance, a description and written notice of such change shall be furnished by the JSCB to the Issuer and the Applicable Trustee thirty (30) days in advance of such change.

At least thirty (30) days prior to the expiration of any insurance policy required under the Installment Sale Agreement, the JSCB shall furnish the Issuer and the Applicable Trustee with evidence that such policy has been renewed or replaced or is no longer required by the Installment Sale Agreement.

All insurance required by the Installment Sale Agreement above shall be procured and maintained in financially sound and generally recognized responsible insurance companies authorized to write such insurance in the State.

The JSCB shall, at its own cost and expense of the SCSD and the City, make all proofs of loss and take all other steps necessary or reasonably requested by the Issuer or the Applicable Trustee to collect from insurers for any loss covered by any insurance required to be obtained under this heading. A School Party shall not do any act, or suffer or permit any act to be done, whereby any insurance required under this heading would or might be suspended or impaired. The SCSD assumes all risks that the proceeds of any insurance may be inadequate to fully indemnify the Issuer and the Applicable Trustee against, or to reimburse the Issuer and the Applicable Trustee for, any loss, liability, claim or judgment arising out of any risk, peril or insurable loss under the insurance required by the Installment Sale Agreement. The SCSD acknowledges that the SCSD shall be solely responsible for the payment of any loss, liability, claim or judgment, or any portion thereof, falling within any deductible or self insured retention or which is in excess of any available insurance coverage.

Damage, Destruction or Condemnation. The School Parties agree to notify the Issuer and the Applicable Trustee immediately in the case of damage to or destruction of any Facility or any portion thereof in an amount exceeding $100,000 resulting from fire or other casualty, and shall state the plans of the School Parties with respect to the repair, reconstruction and restoration of the affected Facility.

If any Facility or portion thereof shall be condemned or taken by eminent domain, the Installment Sale Agreement (with respect to the affected Facility or portion thereof) and the interest of the City and the SCSD thereunder shall terminate when title to such Facility or portion thereof vests in the party condemning or taking the same (hereinafter referred to as the "*termination date*"), and the School Parties will promptly give notice thereof to the Issuer and the Applicable Trustee, and shall state the plans of the School Parties with respect to the replacement or restoration of the affected Facility.

If any Facility shall be damaged or destroyed (in whole or in part), or the whole or any part of any Facility shall be taken or condemned by a competent authority or by agreement between the City and/or the SCSD and those authorized to exercise such right or if the temporary use of any Facility or any part thereof shall be so taken by condemnation or agreement (a "*Loss Event*") at any time while the Installment Sale Agreement is in effect:

(i) the Issuer shall have no obligation to replace, repair, rebuild, restore or relocate the affected Facility; and

(ii) there shall be no abatement or reduction in the amounts payable by the City and the SCSD under the Installment Sale Agreement (whether or not the affected Facility is replaced, repaired, rebuilt, restored or relocated); and

(iii) the proceeds derived from the insurance (after payment of all reasonable expenses, costs and taxes (including attorneys' fees) (the "*Net Proceeds*") incurred in obtaining such proceeds) shall be deposited in the Project Fund, and, subject to the provisions clause (iv) below, at the option of the City, shall be applied to either (A) replace, repair, rebuild, restore or relocate the affected Facility, or (B) redeem a principal amount of Bonds equal to such proceeds in accordance with the Applicable Indenture; and

(iv) If the School Parties replace, repair, rebuild, restore or relocate the affected Facility, the Applicable Trustee shall disburse such proceeds from the Project Fund in the manner set forth in the Applicable Indenture to pay or reimburse the School Parties for the cost of such

replacement, repair, rebuilding, restoration or relocation. Notwithstanding anything to the contrary in clause (iii) above, if (A) the aggregate net proceeds derived from insurance with respect to a particular loss are less than $50,000, and (B) no Event of Default then exists under the Applicable Indenture or the Installment Sale Agreement; the School Parties shall be entitled to withdraw such proceeds from the Project Fund for application to Project Costs in accordance with the Installment Sale Agreement and with the Tax Compliance Documents.

Any such replacements, repairs, rebuilding, restorations or relocations shall be subject to the following conditions:

(i) the restored Facility shall be in substantially the same condition and value as an operating entity as existed prior to the damage or destruction;

(ii) the restored Facility shall continue to constitute a "project" as such term is defined in the Syracuse Schools Act, and the tax-exempt status of the interest on the Bonds shall not, in the opinion of Nationally Recognized Bond Counsel, be adversely affected; and

(iii) the restored Facility will be subject to no Liens other than Permitted Encumbrances.

All such repair, replacement, rebuilding, restoration or relocation of a Facility shall be affected with due diligence in a good and workmanlike manner in compliance with all applicable legal requirements and shall be promptly and fully paid for by the School Parties in accordance with the terms of the applicable contracts.

In the event such Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, rebuilding, restoration or relocation, the School Parties shall nonetheless complete the work and pay from its own moneys or from proceeds of Additional Bonds, if any, issued for such purpose that portion of the costs thereof in excess of such proceeds. All such replacements, repairs, rebuilding, restoration or relocations made, whether or not requiring the expenditure of the money of the School Parties, shall automatically become a part of a Facility as if the same were specifically described in the Installment Sale Agreement.

Any balance of such proceeds remaining in the Project Fund after payment of all costs of replacement, repair, rebuilding, restoration or relocation of an affected Facility shall, subject to any rebate required to be made to the federal government pursuant to the Applicable Indenture or the Tax Compliance Documents, be used to redeem the Bonds as provided in the Applicable Indenture. If the entire amount of the Bonds and interest thereon has been fully paid, or provision therefor has been made in accordance with the Applicable Indenture, all such remaining proceeds shall be paid to the City for the benefit of the SCSD.

Compliance with Laws and Regulations. Each of the JSCB and the SCSD will, at its own cost and expense, promptly comply with, or cause to be complied with, all laws, rules, regulations and other governmental requirements, whether or not the same require structural repairs or alterations, which may be applicable to the School Parties and any of the Facilities or the use or manner of use of any of the Facilities; provided, however, the obligation of the JSCB or the SCSD to comply with any such law, rule, regulation or governmental requirement shall be suspended during any contest thereof in good faith by the JSCB or the SCSD, which contest is being diligently prosecuted. Each of the JSCB and the SCSD will also observe and comply with the requirements of all policies and arrangements of insurance at any time in force with respect to the Facilities.

Assignment and Sale by the School Parties. The School Parties will not sell, lease, transfer or otherwise dispose of or encumber any of their interest in any of the Facilities except in the case of Permitted Encumbrances or as provided under the heading "Release of Facilities" below; provided, however, that the SCSD may lease or license part of any Facility (x) for a purpose and use consistent with the License and the Installment Sale Agreement, (y) upon delivery to the Applicable Trustee of an Opinion of Counsel to the effect that such lease or license shall neither limit nor impair the obligations of the School Parties under the Installment Sale Agreement, and (z) upon delivery to the Applicable Trustee of an opinion of Nationally Recognized Bond Counsel to the effect that such lease or license will not cause interest on any of the Bonds to become includable in gross income for federal income tax purposes. The Installment Sale Agreement may be assigned in whole or in part by one or more of the School Parties upon written consent of the Issuer, the other School Parties and the Applicable Trustee (which consent may be unreasonably withheld) but no assignment shall relieve the School Parties from primary liability for any of its obligations under the Installment Sale Agreement, and in the event of any such assignment each of the School Parties shall continue to remain primarily liable for the respective payments specified in the Installment Sale Agreement and for performance and observance of the other agreements provided on its part in the Installment Sale Agreement.

Covenant not to Affect the Tax-Exempt Status of the Bonds. The School Parties each agree that throughout the Agreement Term, it will comply with the Tax Compliance Documents and it will take no action, or permit any action to be taken, with respect to any Facility which will impair the exemption of interest on any Outstanding Bonds from Federal income taxes.

Covenants as to State Aid Depository Agreement. The City and the SCSD agree not to revoke the instructions furnished to the State Comptroller's office to forward all State Aid to Education payments to the Depository Bank. The City and the SCSD also agree to comply with and not to terminate the State Aid Depository Agreement or materially modify the terms and provisions thereof, except as may be permitted under the terms of the State Aid Depository Agreement.

Release of Facilities. So long as there exists no event of default under the Installment Sale Agreement, nor any event which upon the giving of notice or the passage of time or both, would constitute an event of default, the SCSD may, upon written notice to the Issuer and the Applicable Trustee and compliance with the following, effect the release of a Facility, to no longer be used by the SCSD as a public school, or the costs with respect to which have been financed with the Bonds which are no longer Outstanding, from the Installment Sale Agreement and the License. Upon receipt of such notice, the Issuer and the Applicable Trustee shall, at the sole cost and expense of the SCSD, execute and deliver any and all instruments necessary or appropriate to so release and remove such Facility from the Facilities subject to the Installment Sale Agreement and the License; provided, however, that in the event the release is of the last remaining Facility, the SCSD and the City must further pay Base Installment Purchase Payments necessary to effect the redemption in whole of the Bonds.

No conveyance or release effected under the provisions described under this heading shall entitle the SCSD or the City to any abatement or diminution of the Installment Purchase Payments or the Additional Payments required to be made by the SCSD and the City under the Installment Sale Agreement.

Compliance with Requirements for State Aid to Education and Other State and/or School Aid. The City and the SCSD will comply with all requirements necessary to ensure receipt of State Aid to Education and other state and/or school aid payable to the City or the SCSD over the term of the Installment Sale Agreement.

No Impairment of Pledge of State Aid to Education and Other State and/or School Aid. Each of the School Parties covenants and agrees that it shall enter into no agreement, indenture or other instrument,

including any Series Facilities Agreement, in connection with a Series of Project Bonds under a Series Indenture, which shall have the effect, directly or indirectly, of providing a greater priority or preference to the intercept of state and/or school aid payable to the City or the SCSD under the Syracuse Schools Act; provided, however, that nothing contained in the Installment Sale Agreement shall be deemed (y) to limit or deny the ability of the issuer of a Series of Project Bonds to pledge State Aid to Education on a parity with the pledge effected by the Issuer under the Applicable Indenture, or (z) to require that any Series of Project Bonds issued under a Series Indenture have the same payment dates or amortize principal on a schedule comparable to that of the Bonds Outstanding under the Applicable Indenture, or that any lease rental payment dates or installment purchase payment dates, as applicable, under a Series Facilities Agreement be the same as provided for under the Installment Sale Agreement.

Events of Default. An "event of default" or a "default" shall mean, whenever they are used herein, any one or more of the following events:

(a) Default in the due and punctual payment of any Installment Purchase Payment (other than failure to pay as a result of an Event of Nonappropriation);

(b) Default in the due and punctual payment of any Additional Payment, which default shall continue for a period of thirty (30) days after payment thereof was due;

(c) Failure by any School Party to observe and perform any of the terms and covenants on its part to be observed or performed set forth in Section 4.4(d), 4.4(e), 4.4(f), 7.12 or 7.21 hereof;

(d) Failure of the SCSD to observe and perform the covenants set forth in Section 4.3 hereof, and continuance of any such failure for a period of thirty (30) days after receipt by the SCSD of written notice specifying the nature of such default from the Issuer or the Trustee;

(e) Failure of the JSCB to observe and perform the covenants set forth in Section 5.5 hereof, and continuance of any such failure for a period of thirty (30) days after receipt by the JSCB of written notice specifying the nature of such default from the Issuer or the Trustee;

(f) Failure by any School Party to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in paragraphs (a), (b), (c), (d) and (e) of Section 8 to the Installment Sale Agreement, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the defaulting party and the other School Parties by the Issuer, any Series Trustee or the Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, unless by reason of the nature of such failure the same cannot be remedied within such thirty (30) day period and the defaulting party has within such period commenced to take appropriate actions to remedy such failure and is diligently prosecuting such actions.

(g) The City or the SCSD shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the City or the SCSD seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement,

adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver; trustee, or other similar official for it for any substantial part of its property; or the City or the SCSD shall authorize any of the actions set forth above in this paragraph (g); or

(h) The entering of an order or decree appointing a receiver of the Facilities or any thereof with the consent or acquiescence of the City or the SCSD or the entering of such order or decree without the acquiescence or consent of the City or the SCSD if it shall not be vacated, discharged or stayed within ninety (90) days after entry.

Notwithstanding anything contained in this Section to the contrary, a failure by the City or the SCSD to pay when due any payment required to be made hereunder or a failure by the City or the SCSD to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, resulting from a failure by the Board of Education to include such payment obligation and moneys for such purposes in the annual budget for the SCSD, failure by the City to approve such budget and appropriate moneys for such purpose, or a failure by the SCSD to approve payment thereof after appropriation by the City therefor shall not constitute an event of default hereunder. However, the failure by the City or the SCSD to pay when due any payment required to be made by it under the Installment Sale Agreement shall constitute a failure to make a payment under the Installment Sale Agreement for purposes of the Syracuse Schools Act, and in such event the Issuer has appointed the Trustee to act as its agent for purposes of taking action under Section 5.4 of the Indenture. The City and the SCSD agree to provide written notice to the Trustee indicating either (i) the Board of Education submitted an annual budget for the SCSD to the Mayor of the City that fails to include a separate line item representing the full amount of Installment Purchase Payments payable during the applicable Fiscal Year, (ii) the City approved an annual budget for the SCSD that fails to include such a separate line item, or (iii) the SCSD failed to approve payment of such full amount after appropriation by the City therefor.

Remedies. Whenever any event of default as provided above shall have happened and be continuing, or whenever an Event of Nonappropriation shall have occurred and be continuing, the Issuer (with the prior written consent of the Applicable Trustee) or the Applicable Trustee, subject in all respects to the provisions under the heading "Nature of Obligations of the City and the SCSD" above, may take whatever action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the School Parties under the Installment Sale Agreement. For so long as any of the Bonds are Outstanding or any amounts remain due and payable by the School Parties under the Installment Sale Agreement, neither the Issuer nor the Applicable Trustee shall take any action which shall have the effect of terminating the Installment Sale Agreement or the interest in or rights of possession of the City or the SCSD in the Facilities, provided, however, that in addition to any other rights or remedies granted under this heading to the Issuer, the Issuer may enforce any of the Issuer's Reserved Rights without the consent of the Applicable Trustee or any other person, by an action for damages, injunction or specific performance.

No action taken pursuant to provisions under this heading shall relieve any School Party from the its obligations under the Installment Sale Agreement, all of which shall survive any such action.

Cure. Notwithstanding any remedy taken by the Issuer or the Applicable Trustee pursuant to the provisions described under the immediately preceding heading, if all arrears of Installment Purchase Payments, and all other Additional Payments, shall have been paid, all other things shall have been performed in respect of which there was an event of default or Event of Nonappropriation and there shall have been paid the reasonable fees and expenses, including expenses of the Applicable Trustee (including

reasonable attorneys' fees paid or incurred), then the event of default or Event of Nonappropriation shall be waived without further action by the Applicable Trustee or the Issuer.

No Remedy Exclusive. Subject to the provisions of the second sentence under the heading "Remedies" above, no remedy conferred in the Installment Sale Agreement upon or reserved to the Issuer or the Applicable Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given in the Installment Sale Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Applicable Trustee to exercise any remedy reserved to it in the Installment Sale Agreement it shall not be necessary to give any notice, other than such notice as may be expressly required in the Installment Sale Agreement.

Effect on Discontinuance of Proceedings. In case any proceeding taken by the Applicable Trustee under the Applicable Indenture or the Installment Sale Agreement or under any other Security Document on account of any event of default or Event of Nonappropriation under the Installment Sale Agreement or the Applicable Indenture shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Applicable Trustee, then, and in every such case, the Issuer, the Applicable Trustee and the Holders of the Bonds shall be restored, respectively, to their former positions and rights thereunder, and all rights, remedies, powers and duties of the Applicable Trustee shall continue as in effect prior to the commencement of such proceedings.

Limitations on Termination of Agreement. Neither the Issuer, the Applicable Trustee nor any School Party shall take or fail to take any action which would cause the Installment Sale Agreement to terminate while any Bonds remain Outstanding or any amounts remain due and payable under the Installment Sale Agreement or prior to the discharge of the lien of the Applicable Indenture.

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APPENDIX E

FORM OF OPINION OF BOND COUNSEL

Upon delivery of the Series 2021A Bonds, Bond Counsel to the Issuer proposes to issue its approving opinion in substantially the following form:

BOUSQUET HOLSTEIN PLLC

February ___, 2021

City of Syracuse Industrial Development Agency
201 East Washington Street, 6th Floor
Syracuse, New York 13202

Re: City of Syracuse Industrial Development Agency
School Facility Revenue Refunding Bonds
(Syracuse City School District Project), Series 2021A

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance on the date hereof by the City of Syracuse Industrial Development Agency (the "***Issuer***") of its School Facility Revenue Refunding Bonds, Series 2021A (Syracuse City School District Project) in the aggregate principal amount of $_____ (the "***Series 2021A Bonds***").

The Series 2021A Bonds are authorized to be issued pursuant to (i) Title I of Article 18-A of the General Municipal Law of the State of New York (the "***State***"), as amended, and Section 926 of the State's General Municipal Law, as amended from time to time (collectively, the "***IDA Act***") and Chapter 58, Part A-4 of the Laws of 2008 of the State, as amended from time to time (the "***Syracuse Schools Act***"); (ii) a certain Indenture of Trust (Series 2021A) dated as of February 1, 2021 (the "***Indenture***") by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the "***Trustee***"); and (iii) an approving resolution adopted by the Issuer on December 16, 2020 (the "***Resolution***"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

The Series 2021A Bonds are being issued to finance a project (the "***Series 2021A Project***") undertaken by the Issuer at the request of the Syracuse Joint Schools Construction Board (the "***JSCB"***), acting as agent of the City of Syracuse, New York (the "***City***") and the City School District of the City of Syracuse (the "***SCSD***"), consisting of: (a) the refunding of the Issuer's outstanding School Facility Revenue Bonds (Syracuse City School District Project) Series 2010 in the outstanding principal amount of $_____ (the "***Series 2010 Bonds***") and the Issuer's School Facility Revenue Bonds (Syracuse City School District Project) Series 2011A in the outstanding principal amount of $_____ (the "***Series 2011A Bonds***" collectively, the "***Refunded Bonds***") which were each issued to finance a portion of the cost of the acquisition, renovation, reconstruction, improvement, equipping and furnishing of certain public schools (collectively, the "“***Facilities***") for use by the SCSD; and (b) the payment of permitted issuance costs, if any, costs of credit enhancement, if any, capitalized interest, if any, and funding a debt service reserve fund, if any, all with respect to the Series 2021A Bonds and pay associated redemption costs of the Refunded Bonds in an aggregate principal amount of up to $30,000,000.

The Series 2021A Bonds are dated the date hereof, are issued as fully registered bonds without coupons and mature and bear interest as set forth therein. The Series 2021A Bonds are not subject to redemption prior to maturity upon the terms and conditions set forth therein and in the Indenture.

The SCSD, the City and Manufacturers and Traders Trust Company, as Depository Bank (as the "***Depository Bank***") have entered into a certain State Aid Depository Agreement, dated as of March 1, 2008, as amended by the First Amended and Restated State Aid Depository Agreement, dated as of December 1, 2010 (as the same may be further amended or supplemented from time to time, collectively the "***State Aid Depository Agreement***"), pursuant to and with respect to which each of the Commissioner of Finance of the City and the SCSD have instructed the State Comptroller to pay all New York State building and operating aid appropriated by the State for the SCSD directly to the State Aid Depository Fund established with and held by the Depository Bank pursuant to the State Aid Depository Agreement.

The City and the SCSD have granted a license to the Issuer in and to the Facilities pursuant to a License Agreement (Series 2008 Project), dated as of March 1, 2008, among the City, the SCSD and the Agency (the "***Original License***"), which was previously amended by the City and the SCSD pursuant to an Amendatory License Agreement, dated as of December 1, 2010 (the "***Amendatory License Agreement***"); a Second Amendatory License Agreement dated as of July 1, 2011 (the "***Second Amendatory License Agreement***), a Third Amendatory License Agreement dated as of April 1, 2017 (the "***Third Amendatory License Agreement***"), a Fourth Amendatory License Agreement dated as of March 1, 2018 (the "***Fourth Amendatory License Agreement***"), a Fifth Amendatory License Agreement dated as of June 1, 2018 (the "***Fifth Amendatory License Agreement***"), a Sixth Amendatory License Agreement dated as of April 1, 2019 (the "***Sixth Amendatory License Agreement***"), and a Seventh Amendatory License Agreement dated as of March 1, 2020 (the "***Seventh Amendatory License Agreement***") and an Eighth Amendatory License Agreement dated as of February 1, 2021 (the "***Eighth Amendatory License Agreement***" and together with the Original License, the Amendatory License Agreement, the Second Amendatory License Agreement, the Third Amendatory License Agreement, the Fourth Amendatory License Agreement, the Fifth Amendatory License Agreement, Sixth Amendatory License Agreement and the Seventh Amendatory License Agreement, collectively, the "***License***"); and conveyed title to the Equipment (as defined in the Installment Sale Agreement as defined hereinbelow) comprising a portion of the Facilities to the Issuer pursuant to a Bill of Sale to Agency, dated as of March 1, 2008, as amended by an Amendatory Bill of Sale dated as of December 1, 2010, a Second Amendatory Bill of Sale dated as of July 1, 2011, as further amended by a Third Amendatory Bill of Sale dated as of March 1, 2018, as further amended by a Fourth Amendatory Bill of Sale dated as of June 1, 2018, as further amended by a Sixth Amendatory Bill of Sale dated as of April 1, 2019, as further amended by a Seventh Amendatory Agreement dated as of March 1, 2020, as further amended by an Eighth Amendatory Bill of Sale dated as of February 1, 2021 (collectively, the "***Bill of Sale***"). The Issuer has sold its interest in the Facilities to the City and the SCSD pursuant to an Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008, (the "***Original Agreement***"), as previously amended by Amendment No. 1 to Installment Sale Agreement dated as of July 1, 2009 (the "***First Amended Agreement***"); Amendment No. 2 to the Installment Sale Agreement dated as of December 1, 2010 (the "***Second Amended Agreement***); Amendment No. 3 to Installment Sale Agreement dated as of July 1, 2011 (the "***Third Amended Agreement***"); Amendment No. 4 to Installment Sale Agreement dated as of April 1, 2017 (the "***Fourth Amended Agreement***"); Amendment No. 5 to Installment Sale Agreement dated as of March 1, 2018 (the "***Fifth Amended Agreement***"); Amendment No. 6 to Installment Sale Agreement dated as of June 1, 2018 (the "***Sixth Amended Agreement***"); Amendment No. 7 to Installment Sale Agreement dated as of April 1, 2019 (the "***Seventh Amended Agreement***"); Amendment No. 8 to Installment Sale Agreement dated as of March 1, 2020 (the "***Eighth Amended Agreement***"); and Amendment No. 9 to Installment Sale Agreement dated as of February 1, 2021 (the "***Ninth Amended Agreement***" and together with the Original Agreement, the First Amended

Agreement, the Second Amended Agreement, the Third Amended Agreement, the Fourth Amended Agreement, the Fifth Amended Agreement, the Sixth Amended Agreement, the Seventh Amended Agreement and the Eighth Amended Agreement, the *"**Installment Sale Agreement**" **or** "**Agreement**"*) as same may be further amended or supplemented from time to time, each between the Agency, the City, the JSCB and the SCSD. Pursuant to the Installment Sale Agreement, the SCSD and the City have agreed to pay scheduled Installment Purchase Payments in amounts equal to the principal of and interest on the Series 2021A Bonds, *provided, however*, that such Installment Purchase Payment obligation of the SCSD and the City are executory only to the extent of State Aid to Education (as defined in the State Aid Depository Agreement) available for such payment from the State Aid Depository Fund and transferred therefrom to the Trustee by the Depository Bank, and further subject to budgeting by the SCSD, appropriation by the City for such purpose and approval by the SCSD of payment thereof after appropriation by the City therefor.

Pursuant to the Indenture and the Pledge and Assignment dated as of February 1, 2021, by the Issuer to the Trustee, acknowledged by the City, the SCSD and the JSCB, the Issuer has assigned to the Trustee substantially all of the Issuer's right, title and interest in, to and under the Installment Sale Agreement, including the foregoing Installment Purchase Payments to be made by the SCSD and the City.

It is provided in the Indenture that, upon satisfying certain conditions, the Issuer may issue one or more series of additional bonds (the "***Additional Bonds***") from time to time on the terms and conditions and for the purposes stated in the Applicable Indenture; and the Additional Bonds, if issued, will be equally and ratably secured under the Applicable Indenture with the Series 2021A Bonds. The Indenture further provides that the amount of Installment Purchase Payments required to be paid under the Installment Sale Agreement shall be re-calculated so as to provide money for the full and timely payment of the principal of and interest on the Series 2021A Bonds and any such series of Additional Bonds.

We have reviewed an opinion of even date herewith of Trespasz & Marquardt LLP, counsel to the JSCB, upon which we are relying as to the due authorization, validity and enforceability of the Installment Sale Agreement and any other documents executed by the JSCB, as they relate to the JSCB; an opinion of even date herewith of the Corporation Counsel of the City of Syracuse, counsel to the City and the SCSD, upon which we are relying as to the due authorization, validity and enforceability of the License, the Installment Sale Agreement, the State Aid Depository Agreement and any other documents executed by each party as they relate to the City and the SCSD; and an opinion of even date herewith of Hodgson Russ LLP, counsel to the Trustee and the Depository Bank upon which we are relying as to the due authorization, validity and enforceability of the Indenture by the Trustee. No opinion as to such matters is expressed herein.

As Bond Counsel, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such instruments, certificates and documents (including documents contained in the record of proceedings with respect to the issuance of the Series 2021A Bonds) as we have deemed necessary or appropriate for the purposes of the opinions rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity and due execution of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, without having any independent investigation, we have relied upon, and assumed the accuracy and truthfulness of, the aforesaid instruments, certificates and documents.

For purposes of the opinions set forth in paragraph (vi), we have assumed: (a) the accuracy of certain factual certifications of the Issuer, the JSCB, the SCSD and the City; and (b) continuing compliance by the Issuer, the JSCB, the SCSD and the City with their respective tax-related covenants in the Indenture, the Installment Sale Agreement, the Tax Certificate, dated the date hereof, of the Issuer and the Arbitrage and Use of Proceeds Certificate dated the date hereof of the JSCB, the SCSD and the City. In the event of the inaccuracy or incompleteness of any of such certifications or of the failure by the Issuer, the JSCB, the SCSD or the City to comply with such covenants, the interest on the Series 2021A Bonds could become

includable in gross income for federal income tax purposes retroactive to the date of original execution and delivery of the Series 2021A Bonds, regardless of the date on which the event causing such inclusion occurs. Further, although such interest on the Series 2021A Bonds is excludable from gross income for federal income tax purposes, receipt or accrual of such interest may otherwise affect the tax liability of a holder of a Series 2021A Bond. The tax effect of receipt or accrual of the interest will depend upon the tax status of a holder of a Series 2021A Bond and such holder's other items of income, deduction or credit. We express no opinion with respect to any such effect.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the Series 2021A Bonds, and we express no opinion relating thereto. We have not been requested to examine and have not examined any documents or information relating to the JSCB, the City or the SCSD other than the record of proceedings hereinabove referred to, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to any purchaser of the Series 2021A Bonds.

Based upon the foregoing, it is our opinion that:

(i) The Issuer is a duly created and validly existing corporate governmental agency constituting a public benefit corporation under the laws of the State.

(ii) The Series 2021A Project constitutes a "project" under and as defined in the IDA Act and the Syracuse Schools Act.

(iii) The Issuer has the right and power under the IDA Act and the Syracuse Schools Act: (a) to acquire a license interest in Facilities and title to the Equipment; (b) to undertake the Series 2021A Project and to issue, execute, sell and deliver the Series 2021A Bonds in connection with the Series 2021A Project; (c) to assign its interest in the Installment Sale Agreement to the Trustee as provided in the Indenture and the Installment Sale Agreement; and (d) to enter into the Indenture, the License, the Installment Sale Agreement, the Pledge and Assignment, the Bond Purchase Agreement and the Tax Compliance Agreement.

(iv) The Resolution has been duly and lawfully adopted by the Issuer and is in full force and effect.

(v) The Indenture, the License, the Installment Sale Agreement, the Pledge and Assignment, the Bond Purchase Agreement and the Tax Compliance Agreement the have been duly authorized and lawfully executed and delivered by the Issuer and (assuming the authorization, execution and delivery by the other respective parties thereto) are valid and legally binding obligations of the Issuer enforceable against it in accordance with their respective terms.

(vi) The Series 2021A Bonds have been duly authorized, executed, delivered and issued for value by the Issuer in conformity with all applicable laws and the provisions of the Indenture and the Resolution and constitute valid and legally binding special obligations of the Issuer enforceable against it in accordance with their terms and are entitled to the benefits of the Indenture. The Indenture creates a valid pledge of and a valid lien upon the Trust Estate, except as set forth therein, and subject only to the provisions of the Indenture permitting the use and payment thereof for the purposes and on the terms and conditions set forth in the Indenture.

(vii) Under existing law and assuming the accuracy of certain representations and compliance with certain tax covenants described herein: (a) interest on the Series 2021A Bonds is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "***Code***"); and (b) interest on the Series 2021A Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals under the Code. Interest on the Series 2021A Bonds is exempt from personal income taxes imposed by the State and the political subdivisions thereof (including the City of New York).

[Series 2021A Bonds maturing on _____ (collectively the "***Discounted Bonds***") have been initially offered to the public at prices less than the amount payable with respect to such Discounted Bonds at maturity. The difference between the stated principal amount of such Discounted Bonds and the initial offering price of such Discounted Bonds to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Discounted Bonds of the same maturity were sold constitutes original issue discount. Such original issue discount is excluded from gross income for Federal income tax purposes to the same extent as interest on such Discounted Bonds. Further, such original issue discount accrues actuarially on a constant yield basis over the term of such Discounted Bond and the basis of such Discounted Bond acquired at such initial offering price by an initial purchaser of such Discounted Bond will be increased by the amount of such accrued discount. The accrual of original income discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Discounted Bonds, even though there will not be a corresponding cash payment.]

[Series 2021A Bonds maturing on _____ (collectively the "***Premium Bonds***") have been initially offered to the public at prices greater than the amount payable with respect to the Premium Bonds at maturity. As a result of requirements under the Code relating to tax cost reduction associated with the amortization of bond premium, under certain circumstances the initial purchaser of a Premium Bond may realize taxable gain upon disposition thereof even though sold or redeemed for an amount less than or equal to such purchaser's original acquisition cost. The amortization requirements may also result in the reduction of the amount of stated interest which an initial purchaser of such Premium Bond is treated as having received for federal tax purposes.]

In rendering our opinion, we wish to advise you that:

(a) The enforceability against the Issuer of the Series 2021A Bonds, the Indenture, the License, the Installment Sale Agreement and the Pledge and Assignment may be limited by any applicable bankruptcy, insolvency or other similar law or enactment now existing or hereafter enacted by the State or the federal government affecting the enforcement of creditors' rights generally.

(b) Equitable remedies with respect to any of the documents described in paragraph (a) above (and with respect to any other documents) lie in the discretion of a court and may not be available.

(c) We express no opinion as to the priority of the fee interest or the ownership of any other interest in any parcel of the land included within the Series 2021A Project, or the sufficiency of the description of any such parcel in the Indenture, the License, the Installment Sale Agreement and the Pledge and Assignment or the existence of any liens or encumbrances on any property.

(d) Certain requirements and procedures contained or referred to in the Indenture and certain other documents delivered in connection with the issuance of the Series 2021A Bonds may be changed, and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of Bond Counsel. We express no

opinion as to any series of the Series 2021A Bonds or the interest thereon, if any, with respect to any change or action taken upon the advice or approval of bond counsel other than Bousquet Holstein PLLC.

(e) We have assumed the due filing and sufficiency of financing statements under the State Uniform Commercial Code.

(f) We express no opinion as to the necessity for obtaining any licenses, permits or other approvals relating to the rehabilitation, construction, reconstruction or equipping of any of the Facilities or the operation of any of the Facilities, or the application or effect of any environmental laws, ordinances, rules, regulations or other requirements of any governmental authority with respect to any of the Facilities or the transactions contemplated under the Indenture.

We have examined the executed Bond numbered RA-1 through RA-___, in fully registered form and, in our opinion, the form of the Bond and the execution thereof are regular and proper.

Very truly yours,

BOUSQUET HOLSTEIN PLLC

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT ("Disclosure Agreement") is entered into as of February __, 2021, by and between the SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD (the "JSCB"), on behalf of itself, the CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE (the "SCSD") and the CITY OF SYRACUSE (the "City"), party of the first part, and MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee (the "Trustee"), party of the second part, in connection with the issuance by City of Syracuse Industrial Development Agency (the "Agency") of its $_____ aggregate principal amount School Facility Revenue Refunding Bonds (City School District of the City of Syracuse Project), Series 2021A (the "Series 2021A Bonds") .

The Series 2021A Bonds are being issued pursuant to an Indenture of Trust (Series 2021A Project) dated as of February 1, 2021 (the "Indenture"). Proceeds of the Series 2021A Bonds are being used to refund the Issuer's outstanding School Facility Revenue Bonds (Syracuse City School District Project) Series 2010 and School Facility Revenue Bonds (Syracuse City School District Project) Series 2011A in accordance with Chapter 58, Part A-4 of the Laws of 2006 of the State, as amended (the "Syracuse Schools Act").

In order to permit the Underwriters of the Series 2021A Bonds to comply with the provisions of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 in connection with the public offering of the Series 2021A Bonds, the parties hereto, in consideration of the mutual covenants herein contained and other good and lawful consideration, hereby agree for the sole and exclusive benefit of the Bondholders, as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by JSCB, on behalf of each of the City and the SCSD, and the Trustee, in each case for the benefit of Bondholders and Beneficial Owners (as defined below) of the Series 2021A Bonds and in order to assist the Underwriters in complying with the Rule (as defined below). The JSCB and the Trustee acknowledge that the Issuer has not undertaken any responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and the Issuer has no liability to any person, including any Bondholder or Beneficial Owner, concerning the Rule.

SECTION 2. Definitions. Capitalized terms used but not defined in this Disclosure Agreement shall have the meanings ascribed to them in the Indenture.

"Annual Report" shall mean any annual report and related annual information to be provided by the JSCB on behalf of the SCSD and the City, pursuant to Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any beneficial owner of a security, including a person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares investment power which includes the power to dispose, or to direct the disposition, of such security subject to certain exceptions as set forth in the Undertaking, as defined below. Any assertion of beneficial ownership must be filed with full documentary support, as part of the written request described in Section 10 of this Disclosure Agreement.

"Disclosure Representative" shall mean the Chairman of the JSCB or his or her designee, or such other person as the JSCB shall designate in writing to the Trustee from time to time.

"Dissemination Agent" shall mean the Trustee, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent, designated in writing by the SCSD and which has filed with the Trustee a written acceptance of such designation.

"EMMA" shall mean the MSRB's Electronic Municipal Market Access system.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the **Rule** 15c2-12.

"Fiscal Year" shall mean the period of twelve months beginning July 1 of each year and ending on June 30 of the same year, or any other twelve month period adopted by the SCSD as its fiscal year for accounting purposes.

"Listed Events" shall mean any of the events listed in Subsection 5(a) of this Disclosure Agreement.

"MSRB" means the Municipal Securities Rulemaking Board.

"Repository" shall mean the MSRB as the sole repository of information required to be provided pursuant to the Rule, in each instance through and in accordance with EMMA.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the Securities and Exchange Commission.

"State" shall mean the State of New York.

"Underwriters" shall mean collectively, Raymond James, on its own behalf and as the Representative of the other Underwriters set forth on Schedule I attached hereto, as the original underwriters of the Series 2021A Bonds required to comply with the Rule in connection with the offering of the Series 2021A Bonds.

SECTION 3. Obligations to Provide Continuing Disclosure.

On an annual basis, no later than one calendar year after the end of each respective Fiscal Year, commencing with the Fiscal Year ended June 30, 2021, the JSCB shall provide, on behalf of the SCSD or shall cause the Dissemination Agent to provide, to the Repository, an Annual Report which is consistent with the requirements of Sections 3 and 4 of this Disclosure Agreement. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information, as provided in Section 4(ii) hereof. If the Fiscal Year changes, the JSCB shall give notice of such change in the same manner as required for a Listed Event. The JSCB shall provide sufficient copies of the Annual Reports to facilitate the Dissemination Agent's carrying out its duties, as set forth under this Disclosure Agreement.

If the Dissemination Agent has not received on or before the last business day of a Fiscal Year, an Annual Report from the JSCB, on behalf of the SCSD, for the preceding Fiscal Year, and the Dissemination Agent does not have actual knowledge that the Annual Report has been provided to the Repository, the Dissemination Agent shall send a notice to the Repository in substantially the form attached hereto as Exhibit A, with a copy to the SCSD and the City.

The Dissemination Agent shall file a report with the JSCB and (if the Dissemination Agent is not the Trustee) with the Trustee, certifying that the Annual Report has been provided to the Repository to this Disclosure Agreement, stating the date it was so provided.

SECTION 4. Content of Annual Report. The Annual Report shall contain or include by reference the following core financial information and operating data:

(i) Specified Information.

(a) The audited financial statements of the SCSD for the most recently ended Fiscal Year prepared in accordance with generally accepted accounting principles consistently applied, as promulgated from time to time by the Government Accounting Standards Board. If the SCSD's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Subsection 3(a) of this Disclosure Agreement, the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available; and

(b) Material historical quantitative data, including, but not limited to, information on State Aid to Education to be received by the SCSD and/or the City, as applicable, and all statutory intercepts applicable to the SCSD and/or the City, as applicable, as applicable, not otherwise described in the Final Official Statement dated January__, 2021 ("Final Official Statement"), as well as any other revenues, expenditures, financial operations and indebtedness with respect to the Series 2021A Bonds generally of the type discussed in the sections and subsections of the Final Official Statement entitled, "THE PROGRAM," "PROGRAM PARTICIPANTS", and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021A BONDS —State Aid."

(c) A report consolidating the information required from the SCSD under subsection 4(i)(a) above.

(ii) Cross-Reference. All or any portion of the Annual Report may be incorporated in the Annual Report by cross-reference to any other documents which were and are being filed under the Rule with the Repository, through and in accordance with EMMA. The audited or unaudited financial statements of the SCSD may be provided in the same manner.

(iii) Information Categories. The requirements contained in this Disclosure Agreement under Section 4(i)(b) are intended to set forth a general description of the type of financial information and operating data to be provided; such descriptions are not intended to state more than general categories of financial information and operating data; and where the provisions of Section 4(i)(b) call for information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided.

SECTION 5. Reporting of Listed Events.

(a) The SCSD shall provide or shall cause the Dissemination Agent to provide in a timely manner, not in excess of ten (10) business days after the occurrence, to the Repository, written notice of any of the following events, in each case with respect to the Series 2021A Bonds ("Listed Events"):

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Series 2021A Bonds, or other material events affecting the tax status of the Series 2021A Bonds;
7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Series 2021A Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the JSCB, the SCSD or the Issuer;

    Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the SCSD 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 SCSD, 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 SCSD

13. The consummation of a merger, consolidation, or acquisition involving the SCSD or the Issuer or the sale of all or substantially all of the assets of the SCSD or the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a financial obligation of the SCSD or the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the SCSD or the Issuer, any of which affect security holders, if material;

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the SCSD or the Issuer, any of which reflect financial difficulties; and

Note to clauses (15 and 16): For the purposes of the events identified in clauses (15) and (16) above, the term "financial obligation" to mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

17. Failure of the SCSD to comply with the requirements of Sections 3 and 4 of this Disclosure Agreement.

(b) Certain of the seven Listed Events subject to a materiality standard may not be applicable. Whenever the SCSD obtains knowledge of the occurrence of such a Listed Event, the SCSD shall as soon as possible determine if such event would constitute material information for Bondholders of the Series 2021A Bonds.

(c) The JSCB, on behalf of the SCSD, shall provide or shall cause the Dissemination Agent to provide in a timely manner to the Repository, written notice of a failure of any officer or other person authorized by the SCSD to comply with Sections 3, 4 and 5 hereof.

(d) Notwithstanding the preceding, neither the SCSD nor the Dissemination Agent will undertake to provide any of the following:

1. Notice with respect to (i) credit enhancement if (A) the credit enhancement is added after the primary offering of the Series 2021A Bonds, (B) the SCSD does not apply for or participate in obtaining the enhancement, and (C) the SCSD does not apply for or participate in obtaining the enhancement and the enhancement is not described in the Final Official Statement, or (ii) tax exemption other than pursuant to Section 103 of the Code;

2. The event notice, as described in Section 5(a)(8) above, with regard to a mandatory scheduled redemption not otherwise contingent upon the occurrence of an event, if (i) the terms, dates and amounts of redemption are set forth in detail in the Indenture, (ii) the only open issue is which Series 2021A Bonds will be redeemed in the case of a partial redemption, (iii) notice of redemption is given to the Bondholders as required under the terms of the Series 2021A Bonds, and (iv) public notice of the redemption is given pursuant to 1934 Act Release No. 23856 of the SEC, even if the originally scheduled amounts are reduced by prior optional redemptions or Bond purchases; and

3. Updates or revisions to any forward-looking statements contained in the Final Official Statement, including, but not limited to, those that include the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "assumes," "structured," "targets" or analogous expressions.

SECTION 6. Termination of Reporting Obligation. The JSCB's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Series 2021A Bonds.

SECTION 7. Dissemination Agent. The JSCB may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the JSCB, on behalf of SCSD or the City pursuant to this Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent. The initial Dissemination Agent shall be the Trustee. For so long as the Trustee shall be the Dissemination Agent, the JSCB shall pay the Dissemination Agent an annual fee of $500.00 upon the execution of this Disclosure Agreement and on each anniversary thereof.

SECTION 8. Amendments. An amendment to the requirements set forth in this Disclosure Agreement (the "Requirements") may only take effect if:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the SCSD, or type of business conducted; the Requirements, as amended, would have complied with the requirements of the Rule at the time of sale of the Series 2021A Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and the amendment does not materially impair the interests of Bondholders and/or Beneficial Owners, as determined by parties unaffiliated with the SCSD (such as, but without limitation, the SCSD's financial advisor or transaction counsel) and the annual financial information containing (if applicable) the amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the "impact" (as that word is used in the letter from the SEC staff to the National Association of Bond Lawyers dated June 23, 1995) of the change in the type of operating data or financial information being provided; or

(b) All or any part of the Rule, as interpreted by the staff of the SEC at the date of the Series 2021A Bonds, ceases to be in effect for any reason, and the SCSD elects that the Requirements shall be deemed terminated or amended (as the case may be) accordingly.

(c) In addition to subsections (a) and (b) above, this Disclosure Agreement may be amended by written agreement of the parties, without the consent of the Bondholders and/or Beneficial Owners, of the Bonds, if all of the following conditions are satisfied: (1) the JSCB, on behalf of the SCSD, shall have delivered to the Trustee an opinion of Counsel, addressed to the SCSD, the City, the JSCB, the Issuer and the Trustee, to the effect that the amendment is permitted by rule, order or other official pronouncement, or is consistent with any interpretive advice or no-action positions of Staff of the SEC, and (2) the Trustee shall have delivered copies of such opinion and amendment to (i) the MSRB and (ii) the Issuer. The Trustee shall so deliver such opinion and amendment within one Business Day after receipt by the Trustee.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the JSCB from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the JSCB, at the direction of the SCSD or the City, chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the JSCB shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default; Venue. No Bondholder may institute any suit, action or proceeding at law or in equity ("Proceeding") for the enforcement of the Requirements (the "Undertaking") or for any remedy

for breach thereof, unless such Bondholder shall have filed with the SCSD evidence of ownership and a written notice of and request to cure such breach, and the SCSD shall have refused to comply within a reasonable time. All Proceedings shall be instituted only as specified herein, in any federal or state court located in the State and for the equal benefit of all holders of the outstanding bonds benefited by the same or a substantially similar covenant, and no remedy shall be sought or granted other than specific performance of the covenant at issue.

SECTION 11. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. The Dissemination Agent (if other than the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement, and the SCSD agrees to release the Dissemination Agent and the Trustee from any claim arising out of the discharge of any duties hereunder and to defend, indemnify and save the Trustee and the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Trustee and the Dissemination Agent's negligence or willful misconduct. The obligations of SCSD under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Series 2021A Bonds.

SECTION 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the JSCB:

Syracuse Joint Schools Construction Board
Attention: Secretary
203 City Hall
Syracuse, New York 13202
Tel: (315) ____- _____
Fax: (315) _____ - _____

with copies to

SCSD:

City SCSD of the City of Syracuse
725 Harrison Street, City Hall
Syracuse, New York 13210
Attention: Superintendent
Tel: (315) ___-____
Fax: (315) ___-____

the City:

City of Syracuse
Attention: Mayor and Corporation Counsel
233 East Washington Street
City Hall, Room 203
Syracuse, New York 13202
Tel: (315) 448-8400
Fax: (315) ___-____

and

Theodore A. Trespasz, Jr., Esq.
Trespasz & Marquardt, LLP
251 West Fayette Street
Syracuse, New York 13202
Tel: (315) 466-4444
Fax: (315) 466-5555

To the Trustee:

Manufacturers and Traders Trust Company
285 Delaware Avenue, 3rd Floor
Buffalo, New York 14202
Attention: Corporate Trust Department
E-mail address:aituze@wilmingtontrust.com
Tel: (716) 842-5706
Fax: (716) 842-4474

Any person may, by written notice to the other persons noted above, designate a different address, telephone, electronic transmission, or facsimile number(s) to which subsequent notices or communications should be sent.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of Bondholders and Beneficial Owners (and the Trustee acting on behalf of Bondholders and/or Beneficial Owners), and shall create no rights in any other person or entity.

SECTION 14. Fiduciary Obligation. The Dissemination Agent agrees that it shall be bound by Section 9.3 of the Indenture as if it were a fiduciary under the Indenture.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in one or more counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 16. Governing Law. THIS DISCLOSURE AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK DETERMINED WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW. TO THE EXTENT THIS DISCLOSURE AGREEMENT ADDRESSES MATTERS OF FEDERAL SECURITIES LAW, THIS DISCLOSURE AGREEMENT SHALL BE GOVERNED BY FEDERAL SECURITIES LAWS AND OFFICIAL INTERPRETATIONS THEREOF.

SYRACUSE JOINT SCHOOLS
CONSTRUCTION BOARD

By: _____
[Name]
[Title]

MANUFACTURERS AND TRADERS TRUST
COMPANY, as Trustee

By: _____
Authorized Officer

SCHEDULE I

Raymond James

Academy Securities

Loop Capital Markets

SCHEDULE I

EXHIBIT A

NOTICE TO EMMA OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Syracuse Industrial Development Agency
Name of Bond Issue:	$_____ Syracuse Industrial Development Agency School Facility Revenue Refunding Bonds (Syracuse City School District Project), Series 2021A (the "Series 2021A Bonds"
Date of Issuance:	February 1, 2021

NOTICE IS HEREBY GIVEN that City School District of the City of Syracuse (the "SCSD") has not provided an Annual Report with respect to the above-named Series 2021A Bonds as required by the Continuing Disclosure Agreement, dated as of February 1, 2021 between the Syracuse Joint Schools Construction Board, on behalf of the SCSD and the City of Syracuse, and Manufacturers and Traders Trust Company, as trustee. [The _____ anticipates that an Annual Report will be filed by_____ _____.].

Dated: _____ _____

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY • SCHOOL FACILITY REVENUE REFUNDING BONDS (SYRACUSE CITY SCHOOL DISTRICT PROJECT) SERIES 2021A

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