

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 28, 2018

NEW ISSUE

REVENUE ANTICIPATION NOTES

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the BOCES, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes 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 (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed for taxable years beginning prior to January 1, 2018.. In addition, in the opinion of Bond Counsel to the BOCES, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. See "Tax Matters" herein.

The District will NOT designate the Notes as "qualified tax-exempt obligations" pursuant to the provisions of Section 265 of the Code.

**BOARD OF COOPERATIVE EDUCATIONAL SERVICES
OF THE SOLE SUPERVISORY DISTRICT OF
WESTCHESTER COUNTY, NEW YORK**

\$8,000,000*

**REVENUE ANTICIPATION NOTES – 2018 B
(the "Notes")**

Date of Issue: December 19, 2018

Maturity Date: June 28, 2019

The Notes will constitute unsecured general obligations of the Board of Cooperative Educational Services of the Sole Supervisory District of Westchester County, New York (the "BOCES") and will contain a pledge for the payment of the principal of and interest on the Notes payable as to both principal and interest from any monies of the BOCES legally available therefore. The BOCES has no taxing authority.

The Notes are dated December 19, 2018 and will bear interest from that date until June 28, 2019, the maturity date, at the annual rate(s) as specified by the purchaser(s) of the Notes. The Notes will not be subject to redemption prior to maturity.

At the option of the purchaser, the Notes will be issued in (i) registered form registered in the name of the successful bidder(s) or (ii) registered book-entry form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC").

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

If the Notes are issued in book-entry form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the BOCES to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The BOCES will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "Book-Entry-Only System" herein).

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and certain other conditions. It is expected that delivery of the Notes will be made on or about December 19, 2018, in New York, New York or such place agreed to by the purchaser(s) and the BOCES.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM "DEEMED FINAL" BY THE BOCES FOR THE PURPOSES OF THE SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12 (THE "RULE"). FOR A DESCRIPTION OF THE BOCES' AGREEMENT TO PROVIDE NOTICE OF EVENTS AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKING" HEREIN.

Dated: December __, 2018

*Preliminary, subject to change.

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

**BOARD OF COOPERATIVE EDUCATIONAL SERVICES
OF THE SOLE SUPERVISORY DISTRICT OF
WESTCHESTER COUNTY, NEW YORK**

BOARD OF EDUCATION

CATHERINE DRAPER.....President
JOHN V. FILIBERTI..... Vice President
JOHN DESANTIS..... Board Member
LYNN FRAZER-McBRIDE Board Member
GEORGIA RIEDEL Board Member

ADMINISTRATION

DR. HAROLD COLES, PSY.D. District Superintendent
JACQUELINE O'DONNELL Chief Operating Officer/
Deputy District Superintendent
STEPHEN J. TIBBETTSAssistant Superintendent
For Business and Administrative Services
JAMES A. GRATTO, JR..... Assistant Superintendent For
Educational Services
JOHN P. MILLERDirector of Business
CHRISTINE JANSEN..... Treasurer
VALERIE CERMELE.....District Clerk

BOND COUNSEL

**Hawkins Delafield & Wood LLP
New York, New York**

MUNICIPAL ADVISOR



**Capital Markets Advisors, LLC
Hudson Valley * Long Island * Southern Tier * Western New York
(845) 227-8678**

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

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OFFICIAL STATEMENT

BOARD OF COOPERATIVE EDUCATIONAL SERVICES OF THE SOLE SUPERVISORY DISTRICT OF WESTCHESTER COUNTY, NEW YORK

relating to

\$8,000,000*

**REVENUE ANTICIPATION NOTES – 2018 B
(the “Notes”)**

This Official Statement (the “Official Statement”), which includes the cover page and appendices, presents certain information relating to the Board of Cooperative Educational Services of the Sole Supervisory District of Westchester County, New York, (the “BOCES”), in connection with the sale of \$8,000,000* Revenue Anticipation Notes – 2018 B (the “Notes”).

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

The financial condition of the BOCES as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the BOCES' control.

THE NOTES

Description

The Notes are unsecured general obligations of the BOCES, payable as to both principal and interest from any monies of the BOCES legally available therefore. The Notes are being issued in anticipation of the receipt of revenues due from the Component School Districts (See “General Information” under “Board of Cooperative Educational Services”, herein). The BOCES has no taxing authority. The Notes will be dated December 19, 2018 and mature on June 28, 2019.

The Notes will not be subject to prior redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

Authority for and Purpose of the Notes

The Notes are issued pursuant to the State Constitution and statutes of the State, including among others Section 25.00 of the Local Finance Law and the Revenue Anticipation Note Resolution adopted by the BOCES Board on July 11, 2018, in anticipation of revenues due the BOCES from the Component School Districts during the BOCES fiscal year commencing July 1, 2018 and ending June 30, 2019. In the event such monies are not received by June 28, 2019, the Notes may be renewed. Revenue anticipation renewal notes may again be renewed in the event such revenues have still not been received on the maturity date of such renewal notes. The final renewal of any such revenue anticipation renewal notes must mature not later than June 28, 2020.

*Preliminary, subject to change.

Whenever the principal amount of the Notes and any additional revenue anticipation notes issued by the BOCES in anticipation of the receipt of revenues from the Component School Districts equals the amount of such revenues remaining uncollected, all of such uncollected revenues, as thereafter collected must be set aside in a special bank account to be used only for the purpose of paying the Notes, unless provisions are made by budgetary appropriation for the redemption of the Notes.

Remedies upon Default

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

As a general rule, property and funds of public entities serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment.

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

BOOK-ENTRY-ONLY SYSTEM

For any Notes issued in book-entry-only format is chosen, the Depository Trust Company (“DTC”), New York, New York, will act as securities depository for any Notes issued as book-entry-only Notes. Such Notes will be issued as fully-registered notes registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered note certificate will be issued for each note bearing the same rate of interest and CUSIP and deposited with DTC.

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

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

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

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

Redemption notices shall be sent to DTC. If less than all of the notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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

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

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

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

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

Source: The Depository Trust Company

THE INFORMATION CONTAINED IN THE ABOVE SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SAMPLE OFFERING DOCUMENT LANGUAGE SUPPLIED BY DTC, BUT THE BOCES TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF. IN ADDITION, THE BOCES WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO: (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENTS BY DTC OR ANY PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THE NOTES OR (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO NOTEOWNERS.

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

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

Cybersecurity

The BOCES, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the BOCES faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer 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 BOCES invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage BOCES digital networks and systems and the costs of remedying any such damage could be substantial.

(The following two sections are applicable to the Component School Districts of the BOCES. The BOCES has no taxing authority.)

Tax Limit

With respect to the component school districts of the BOCES (the “Component School Districts”), the Constitution does not limit the amount that may be raised by the District-wide tax levy on real estate in any fiscal year. However, Chapter 97 of the Laws of 2011, as amended, imposes a statutory limit on the amount of real property taxes that Component School Districts may levy. (See “*The Tax Levy Limit Law*” herein.) The BOCES has no taxing authority.

The Tax Levy Limit Law

Chapter 97 of the Laws of 2011, as amended, (herein referred to as the “Tax Levy Limit Law” or “Law”) modified previous law by imposing a limit on the amount of real property taxes that a school district may levy. Prior to the enactment of the Law, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year’s budget or one hundred twenty percent (120%) of the consumer price index (“CPI”).

The Tax Levy Limit Law imposes a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the consumer price index, as described in the Law. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the

voters. Approval by at least 60% of the voters will be required for a budget with a tax levy increase in excess of the limit. In the event the voters reject the budget, or a subsequent resubmitted budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year.

The Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Law. However, such exclusion does NOT apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments. (See "*Nature of Obligation*" herein).

Chapter 20 of the Laws of 2015 ("Chapter 20") introduced a new real property tax rebate program that provides state-financed tax rebate checks and credits to taxpayers who are eligible for the STAR exemption in the years 2016-2019. For 2016, eligible taxpayers who resided outside New York City but within the Metropolitan Commuter Transportation District ("MCTD") received \$130, and eligible taxpayers who resided outside the MCTD received \$185. Credits in 2017-2019 will vary based on a taxpayer's personal income level and STAR tax savings. Similar to the Chapter 59 real property tax credit, under Chapter 20 the eligibility of real property taxpayers in each year depends on the school district's compliance with the provisions of the Tax Levy Limit Law. Unlike Chapter 59, however, for taxpayers other than those living in one of the "Big 4" cities only the compliance of the school district in which the taxpayer resides is relevant. Municipal compliance with the Tax Levy Limit Law is only required in the case of the "Big 4" cities that have fiscally dependent school districts. In such cases, the joint school/city levy must remain in compliance with the Tax Levy Limit Law. In either scenario, the relevant jurisdiction (independent school district or joint city/school district) must certify its compliance with the provisions of the Tax Levy Limit Law. While the provisions of Chapter 59 did not, and the provisions of Chapter 20 do not, directly further restrict the taxing power of the affected municipalities, school districts and special districts, Chapter 59 did, and Chapter 20 does, provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limit Law.

MARKET FACTORS

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential investment risk.

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

The BOCES and its Component School Districts are dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the BOCES and its Component School Districts, in any year, the BOCES may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the BOCES and its Component School Districts. In some years, the BOCES and its Component School Districts have received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "*State Aid*" and "*Events Affecting New York School Districts*" herein).

There are a number of general factors which could have a detrimental effect on the ability of the Component School Districts to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the Component School Districts. Unforeseen developments could also result in substantial increases in Component School Districts expenditures, thus placing strain on the Component School Districts financial condition. These factors may have an effect on the market price of the Notes.

If a holder of the Notes elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Notes is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

Amendments to U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Notes and other debt issued by the BOCES. Any such future legislation would have an adverse effect on the market value of the Notes (See “*Tax Matters*” herein).

LITIGATION

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

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the BOCES, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes 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 (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax imposed on individuals under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed for taxable years beginning prior to January 1, 2018. The Tax Certificate of the BOCES (the “Tax Certificate”), which will be delivered concurrently with the delivery of the Notes will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the BOCES in connection with the Notes, and Bond Counsel has assumed compliance by the BOCES with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income pursuant Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the BOCES, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bond Counsel expresses no opinion regarding any federal, state tax or local tax consequences arising with respect to the Notes, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement this opinion to reflect any action thereafter taken or not taken, any facts or circumstances that may hereafter come to its attention, any changes in law or in interpretations thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence

or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Notes.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Notes, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Notes to become includable in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The BOCES, in executing the Tax Certificate, will certify to the effect that the BOCES will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Note. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes.

Prospective owners of the Notes should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Note (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (a note with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Notes. In general, the issue price for each maturity of Notes is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel is of the further opinion that, for any Notes having OID (a “Discount Note”), OID that has accrued and is properly allocable to the owners of the Discount Notes under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Notes.

In general, under Section 1288 of the Code, OID on a Discount Note accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Note. An owner’s adjusted basis in a Discount Note is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Note. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Note even though there will not be a corresponding cash payment.

Owners of Discount Notes should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Notes.

Note Premium

In general, if an owner acquires a Note for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Note after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that Note (a “Premium Note”). In general, under Section 171 of the Code, an owner of a Premium Note must amortize the bond premium over the remaining term of the Premium Note, based on the owner’s yield over the remaining term of the Premium Note, determined based on constant yield principles (in certain cases involving a Premium Note callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Note). An owner of a Premium Note must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Note, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Note may realize a taxable gain upon disposition of the Premium Note even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Note should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Notes.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest on tax-exempt obligations, including the Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Notes from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

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

Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

DISCLOSURE UNDERTAKING

This Official Statement is in a form “deemed final” by the BOCES for the purposes of Securities and Exchange Commission Rule 15c2-12 (the “Rule”). In order to assist the purchasers in complying with Rule 15c2-12 with respect to the Notes, the District will execute an Undertaking to Provide Notices of Events for the benefit of holders of and owners of beneficial interests in the Notes, the form of which is attached hereto as Appendix G to this Preliminary Official Statement.

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC, Hopewell Junction, New York, (the “Municipal Advisor”) is an independent municipal advisor registered with the United States Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor has served as the independent financial advisor to the BOCES in connection with this transaction.

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

ADDITIONAL INFORMATION

Additional information may be obtained from, John P. Miller, the BOCES Director of Business, 17 Berkley Drive, Rye Brook, New York 10573 (914) 937-3820 x.4507, e-mail: jmiller@swboces.org or from the BOCES’ Municipal Advisor, Capital Markets Advisors, LLC, 822 Route 82 – Suite 310, Hopewell Junction, New York 12533, (845) 227-8678.

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

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at www.capmark.org. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Capital Markets Advisors, LLC has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the BOCES nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the BOCES disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Capital Markets Advisors, LLC and the BOCES also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

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

BOARD OF COOPERATIVE EDUCATIONAL SERVICES
OF THE SOLE SUPERVISORY DISTRICT OF
WESTCHESTER COUNTY, NEW YORK

BY:

Catherine Draper
President

DATED: December ___, 2018

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APPENDIX A

BOARD OF COOPERATIVE EDUCATIONAL SERVICES

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BOARD OF COOPERATIVE EDUCATIONAL SERVICES

There follows in this Official Statement a brief description of the BOCES, together with certain information concerning its organization, finances, indebtedness and economy.

General Information

The BOCES is a cooperative association of school districts in southern Westchester County, which provides educational or business services more economically than each district could offer by itself. Most of the State's school districts belong to one of the thirty-eight (38) BOCES in New York State.

The BOCES is administered by a Superintendent, who also serves as the District Superintendent of the supervisory district and as such is a representative of the Commissioner of Education and the State Education Department. The BOCES is governed by a Board of Education. Board members are residents of a local district within the BOCES area. They are nominated by a member board of education and elected at the BOCES annual meeting.

The BOCES has no regulatory powers or taxing authority. The BOCES is financed by its member districts which pay for the services requested as well as a proportionate share of the administrative and facilities costs. A portion of these costs is reimbursed to component districts through special BOCES State aid.

The BOCES services 34 local school districts in Westchester County. Approximately 689 staff members serve students in grades K-12 plus hundreds of educators and adult residents. Programs are held at BOCES nine facilities and in a network of classrooms and other locations throughout the 184 square-mile supervisory district. Southern Westchester BOCES offers programs through the Center for Career Services, Center for Special Services, Center for Adult and Community Services, Center for Instructional Support and Technology, the Interscholastic Athletics Department and the Transportation Department.

Eligible eleventh and twelfth grade students spend half of each school day at the BOCES studying at the Center for Career Services, and the other half attending academic classes in their local high schools. Each year, about 50 percent of these students go on to some form of higher education and the rest go directly into the job market.

In addition to the regular high school population, the BOCES prepares students with special needs and handicapping conditions for the world of work. Sign language interpreters and Spanish language interpreters provide support on-campus. The Alternative High School is recognized as one of the top five in New York State, due to its success in motivating students with emotional handicaps to finish high school and develop job skills.

The Center for Adult and Community Services allows adults to build stronger job skills in daytime career training programs and in 10-week sessions of evening courses offered four times each year. The BOCES coordinates free programs where adults can improve literacy and English language skills or prepare to earn a high school equivalency diploma.

Sixty three percent of the BOCES Special Education students attend classes in regular school buildings through the 34 participating districts. This emphasis on inclusion provides the least restrictive environment possible to enhance their ability to learn.

The BOCES teachers provide support services for special education students in regular school programs. Children with unique needs benefit from full-day programs. The Center for Special Services offers two unique storefront programs, job coaches for training in the workplace, a Home Living Unit for practice in routine daily skills, and educational services for young patients at the Westchester County Medical Center. A unique resource for special education teachers is the Technology Assessment Training Center in Valhalla, which offers technical assistance for students with special learning needs.

Approximately 102 severely disabled students attend school at the BOCES Rye Lake Campus in North White Plains, on buses adapted to serve their needs. A skilled staff provides instruction in a caring environment, where these students achieve a sense of pride and accomplishment.

The BOCES services for local educators include staff and curriculum development, training and planning. The Lower Hudson Principal's Center and the Westchester School Library System are part of The Center for Instructional Support and Technology. There is also an active lending library of over 6,000 films and video cassettes, a graphics service, and technical assistance centers and consultation for school districts in areas such as whole language, cooperative learning, peer coaching and managing change.

The Center for Instructional Support and Technology coordinates a number of instructional programs - an after-school program for hundreds of gifted and talented students from local districts, a summer SMARTS program that's fun and academically oriented, and Advanced Placement courses for high school students. Artistically talented students come twice a week to the BOCES Westchester Arts Program at Manhattanville College.

The Center for Instructional Support and Technology develops ways to use computer technology efficiently in classrooms and offices for: individualized instruction; instructional support services for educators, including computer networking; coordinated management support services for guidance departments and school business offices; Technology Network Ties (TNT), a linking by computer of all the school districts and the 38 BOCES in New York State with the State Education Department; and data processing for over 60 school districts in Westchester, Putnam, and Rockland Counties.

The Incarcerated Youth Program at the Westchester County Penitentiary serves students under age 21 who want to earn high school equivalency diplomas (GED) and learn job skills.

Over 80 school districts in Westchester, Dutchess, Putnam, and Rockland Counties rely on the Interscholastic Athletics Department of Westchester BOCES to schedule over 15,000 games a year, assign referees and officials, and facilitate financial management and inter-league matters.

The Transportation Department provides bus repair and maintenance services to local districts.

Other services at the BOCES include student evaluations on a referred basis through the Career Assessment Center, Bilingual Assessment Center, and Diagnostic/Prescriptive Outreach Center.

School districts work with the BOCES public information specialists to develop programs and publications for communicating with parents, students, staff members and community residents.

District Organization

The BOCES is governed by a board of seven members with overlapping three-year terms, so that, as nearly as possible, an equal number are elected to the Board each year. The members are nominated by a member board of education and elected by representatives of the 32 component boards of education.

Participating Component and Non-Component School Districts

Component School Districts (referred to herein as "Component School Districts") are members who participate in specific programs and services on a cost-sharing basis, and receive about 40 percent reimbursement of these costs through BOCES State aid. There are 32 Component School Districts in Southern Westchester BOCES:

Ardsley	Greenburgh-North Castle	Pleasantville
Blind Brook-Rye	Harrison	Pocantico Hills
Bronxville	Hastings-on-Hudson	Port Chester-Rye
Byram Hills	Hawthorne Cedar Knolls	Rye City
Dobbs Ferry	Irvington	Rye Neck
Eastchester	Mt. Pleasant-Blythedale	Scarsdale
Edgemont	Mt. Pleasant Central	Tarrytown
Elmsford	Mt. Pleasant Cottage	Tuckahoe
Greenburgh Central Seven	Mount Vernon	Valhalla
Greenburgh Eleven	New Rochelle	White Plains
Greenburgh Graham	Pelham	

Non-Component School Districts (referred to herein as “Non-Component School Districts”) may purchase BOCES services, but pay a surcharge and do not receive BOCES State aid. There are two participating Non-Component School Districts in Southern Westchester BOCES:

Mamaroneck Yonkers

Contractual Agreement

Upon adoption of the budget for the ensuing fiscal year, contracts are drafted and executed by the BOCES and the respective Component and Non-Component School Districts. Said contracts are based on the budget estimates.

The Contracts, along with the State required Cooperative Services Form (“COSER”) which specifies program content of the proposed services to be performed by the BOCES, must be forwarded to the State Commissioner of Education by August 1. During the month of August, the State Commissioner of Education notifies the BOCES of any programs or services he deems ineligible for State aid. With the knowledge of approved program contents for State aid, the BOCES and Component and Non-Component School Districts may modify the aforementioned contracts during the month of August. All contracts must be approved by the Commissioner's office by September 1st. Such approval is then usually routinely granted; however, the contracts are not valid and binding until such approval is obtained. Each Component and Non-Component School District is billed pursuant to its contract, and remits to the Treasurer of the BOCES a portion of its total liability in each of the twelve months with slight modifications as necessary to reflect changes in actual service levels.

All contracts and COSER forms for the 2018-19 fiscal year have been approved by the component and Non-Component School Districts and have been submitted to the State Commissioner of Education.

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Percentage of Contractual Liability

The estimated percentage of contractual liability of the School Districts for the 2018-19 fiscal year is as follows:

<u>School Districts</u>	<u>Original Contract</u>	<u>Estimated % of Liability</u>
Components:		
Ardsley UFSD	\$ 1,423,579	1.62%
Blind Brook-Rye CSD	974,050	1.11
Bronxville	1,738,378	1.98
Byram Hills CSD	3,010,473	3.43
Dobbs Ferry	1,619,802	1.85
Eastchester	2,248,906	2.56
Edgemont	1,354,775	1.54
Elmsford	1,778,573	2.03
Greenburgh #11	284,402	0.32
Greenburgh CSD	1,844,910	2.10
Greenburgh-Graham	130,233	0.15
Greenburgh-North Castle	151,800	0.17
Harrison CSD	1,542,947	1.76
Hastings-on-Hudson	2,005,860	2.29
Hawthorne Cedar Knolls	170,130	0.19
Irvington	1,390,385	1.58
Mount Vernon City SD	13,812,093	15.74
Mt. Pleasant CSD	2,004,674	2.28
Mt. Pleasant-Blythedale	78,785	0.09
Mt. Pleasant-Cottage	328,741	0.37
New Rochelle City SD	9,423,750	10.74
Pelham UFSD	2,803,008	3.19
Pleasantville	1,323,951	1.51
Pocantico Hills CSD	1,099,186	1.25
Port Chester	7,323,327	8.35
Rye City SD	1,720,682	1.96
Rye Neck SD	1,461,916	1.67
Scarsdale	2,520,094	2.87
Tarrytown	1,472,294	1.68
Tuckahoe UFSD	1,363,408	1.55
Valhalla UFSD	1,795,377	2.05
White Plains City SD	8,866,136	10.10
Total Components	<u>79,066,625</u>	<u>90.08</u>
Non-Components:		
Mamaroneck	484,849	0.55
Yonkers City SD	8,201,560	9.35
Total Non-Components	<u>8,686,409</u>	<u>9.90</u>
Total	<u><u>\$87,753,033</u></u>	<u><u>100.00%</u></u>

Budgetary Procedure

Pursuant to the Education Law, the BOCES annually prepares, prior to the annual meetings of the Boards of Education of the Component School Districts, a tentative budget for the BOCES program.

Prior to February 1st, requests for services are filed by the Component School Districts with the BOCES. The BOCES submits its program to the New York State Education Department for approval not later than February 15th. The BOCES notifies each Component School District on or before March 10th as to the services which have been approved by the Commissioner of Education, after which each Component School District notifies the BOCES on or before May 1st of its intention to participate in such shared services. A meeting of the component boards of education is held between April 1st and April 15th at which time the tentative budget is available for inspection by said boards of education. The administrative portion of the budget is voted on by the component boards of education on a day designated by the BOCES President between April 16th and April 30th. After such annual meeting, the BOCES adopts the budget for the ensuing year no later than May 15th.

Such budget, when so adopted, after deducting applicable State aid grants and other revenues to be received in such fiscal year, is charged against all of the Component School Districts in accordance with the Education Law. The Component School Districts are required to add such amount to the budget of such Component School District, levy and collect the same at the same time and in the same manner as such district collects other taxes for its own use and pay such amounts to the Treasurer of the BOCES. In the event the tentative budget of a Component School District is not approved by a majority of the voters, such charge from the BOCES may be raised by such Component School Districts as an ordinary contingent expense in a like manner as if the same had been voted by the voters.

School Enrollment Trends

<u>Year</u>	<u>Adult and Career Services</u>	<u>Special Services</u>	<u>Community Services</u>	<u>Total Enrollment</u>
Enrollment History:				
2014-15	670	388	276	1,334
2015-16	660	391	459	1,510
2016-17	635	392	567	1,594
2017-18	611	371	218	1,200
2018-19	628	366	187	1,181
Enrollment Projections:				
2019-20	634	370	189	1,193
2020-21	642	373	191	1,205
2021-22	647	377	193	1,217

Source: BOCES Records.

BOCES Facilities

The BOCES currently operates the following facilities:

Name of Facility	Facility Status
Central Administration	Owned by BOCES
450 Mamaroneck Avenue	RPW Group
Richard Lerer Tech Center	Owned by BOCES
Rye Lake Campus	Owned by BOCES
Transportation	Owned by BOCES
Local School Buildings	Leased from various School Districts
Church of St. Gabriel	Leased classroom space
St. Matthew’s Lutheran Church	Leased classroom space

The BOCES has entered into a lease with RPW Group, which allows the BOCES the use of office space. The lease expires June 30, 2023.

The BOCES has entered into a lease with the Church of St. Gabriel, which allows the BOCES the use of classroom space. The lease expired on August 14, 2012 and is operating on a month-to-month basis.

The BOCES has entered into a lease with St. Matthew’s Lutheran Church which allows the BOCES use of classroom space. The lease expires on August 31, 2018.

Source: BOCES Records.

Employees

The total number of full-time persons employed by the BOCES is approximately 689. The collective bargaining agents which represents them and the dates of expiration of the various bargaining agreements are as follows:

# of Employees	Representation	Expiration Date
Union:		
260	BOCES Certified Teachers	06-30-22
88	BOCES Teacher Aides	06-30-17 ⁽¹⁾
13	Teamsters	06-30-19
94	CSEA	06-30-21
16	Administrators	06-30-19
Non-Union:		
20	BOCES Classified Employees	06-30-19
25	Administrators	06-30-19
173	Information Technology Staff	06-30-19

(1) In negotiation.
Source: BOCES Officials.

Employee Benefits

New York State Certified employees (teachers and administrators) are members of the New York State Teachers Retirement System (“TRS”). Payments to the TRS are generally deducted from State aid payments. All non-NYS certified/civil service employees of the District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York State and Local Employee's Retirement System (“ERS”). Both the TRS and ERS are non-contributory with respect to members hired prior to July 1, 1976. Other than as discussed below, all members of the respective systems hired on or after July 1, 1976 with less than 10 year’s full-time service contribute 3% (ERS) or 3.5% (TRS) of their gross annual salary toward the cost of retirement programs.

On December 10, 2009 a new Tier V was signed into law. The law is effective for new ERS and TRS employees hired after January 1, 2010 and on or before April 1, 2012. Tier V ERS employees will contribute 3% of their salaries and TRS employees will contribute 3.5% of their salaries. There is no provision for these contributions to cease after a certain period of service.

On March 16, 2012, Governor Cuomo signed into law Chapter 18 of the Laws of 2012, which legislation provides for a new Tier VI for employees hired on or after April 1, 2012. The new pension tier has progressive contribution rates between 3% and 6% with no provision for these contributions to cease after a certain period of service; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under Tier VI, the pension multiplier will be 1.75% for the first 20 years of service and 2% thereafter; vesting will occur after 10 years; the time period for calculation of final average salary is increased from three years to five years; and the amount of overtime to be used to determine an employee's pension is capped at \$15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. It also includes a voluntary, portable, defined contribution plan option for new non-union employees with salaries of \$75,000 or more.

Pension reform legislation enacted in 2003 and 2004 changed the cycle of ERS billing to match budget cycles of the District. The reform legislation also required the District to make a minimum contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would otherwise make a lower contribution possible.

Due to prior poor performance of the investment portfolio of TRS and ERS, the employer contribution rates for required pension contributions to the TRS and ERS in 2011 and certain subsequent years have increased. To help mitigate the impact of such increases, legislation was enacted to permit school districts to amortize a portion of the contributions to the ERS only. Under such legislation, school districts that choose to amortize will be required to set aside and reserve funds with the ERS for certain future rate increases. The BOCES has not and does not reasonably expect to amortize such contributions in the immediate future.

In Spring 2013, the State and TRS approved a Stable Contribution Option ("SCO") that gives school districts the ability to better manage the spikes in Actuarially Required Contribution rates ("ARCs"). ERS followed suit and modified its existing SCO. Each plan allows school districts to pay the SCO amount in lieu of the ARC amount, which is higher, and defer the difference in payment amounts as described below.

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

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

Retirement Billing Procedures

TRS. TRS contributions are paid as a reduction in State aid 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.

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

The amounts contributed to ERS and TRS for the last five fiscal years and the amounts budgeted for the current fiscal year are as follows:

Fiscal Year Ended June 30:	ERS	TRS
2014	\$5,880,862	\$4,975,489
2015	5,468,772	5,045,829
2016	4,023,216	3,788,553
2017	3,982,783	3,208,735
2018	4,239,324	2,785,038
2019 (Budget)	5,288,035	3,443,059

Other Post Employment Benefits

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

For the fiscal year ended June 30, 2018, the District implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB), which supersedes GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions. GASB Statement 75 requires the net OPEB liability to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past period of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position (if any).

Total OPEB liability at June 30, 2018 is as follows:

Total OPEB liability – beginning	\$327,259,775	(1)
Service Cost	9,593,517	
Interest	11,597,938	
Changes of Assumptions	(16,362,989)	
Benefit Payments	(6,590,060)	
Total OPEB liability - ending	<u>\$325,498,181</u>	

(1) Restated for the implementation of the provisions of GASB Statement No. 75.

Investment Policy

Pursuant to Section 39 of the State's General Municipal Law, the BOCES has an investment policy applicable to the investment of all moneys and financial resources of the BOCES. The responsibility for the investment program has been delegated by the Board of Education to the Deputy Superintendent for who was required to establish written operating procedures consistent with the BOCES' investment policy guidelines. According to the investment policy of the BOCES, all investments must conform to the applicable requirements of law and provide for: the safety of the principal; sufficient liquidity; and a reasonable rate of return.

Authorized Investments. The BOCES has designated eight banks or trust companies which are located and authorized to conduct business in the State to receive deposits of money. The BOCES is permitted to invest in special time deposits or certificates of deposit

In addition to bank deposits, the BOCES is permitted to invest moneys in direct obligations of the United States of America, obligations guaranteed by agencies of the United States where the payment of principal and interest are further guaranteed by the United States of America and obligations of the State. Other eligible investments for the BOCES include: revenue and tax anticipation notes issued by any municipality, school district or district corporation other than the BOCES (investment subject to approval of the State Comptroller); obligations of certain public authorities or agencies; obligations issued pursuant to Section 109(b) of the General Municipal Law (certificates of participation) and certain obligations of the BOCES but only with respect to moneys of a reserve fund established pursuant to Section 6 of the General Municipal Law. The BOCES may also utilize repurchase agreements to the extent such agreements are based upon direct or guaranteed obligations of the United States of America. Repurchase agreements are subject to the following restrictions, among others: all repurchase agreements are subject to a master repurchase agreement; trading partners are limited to banks or trust companies authorized to conduct business in the State or primary reporting dealers as designated by the Federal Reserve Bank of New York; securities may not be substituted; and the custodian for the repurchase security must be a party other than the trading partner. All purchased obligations, unless registered or inscribed in the name of the BOCES, must be purchased through, delivered to and held in the custody of a bank or trust company located and authorized to conduct business in the State.

Collateral Requirements. All BOCES deposits in excess of the applicable insurance coverage provide by the Federal Deposit Insurance Act must be secured in accordance with the provisions of and subject to the limitations of Section 10 of the General Municipal Law of the State. Such collateral must consist of the “eligible securities,” “eligible surety bonds” or “eligible letter of credit” as described in the law.

Eligible securities pledged to secure deposits must be held by the depository or third party bank or trust company pursuant to written security and custodial agreements. The BOCES' security agreements provide that the aggregate market value of pledged securities must equal or exceed the principal amount of deposit, the agreed upon interest, if any, and any costs or expenses arising from the collection such deposits in the event of a default. Securities not registered or inscribed in the name of the BOCES must be delivered, in a form suitable for transfer or with an assignment in blank, to the BOCES or its designated custodial bank. The custodial agreements used by the BOCES provide that pledged securities must be kept separate and apart from the general assets of the custodian and will not, under any circumstances, be commingled with or become part of the backing for any other deposit or liability. The custodial agreement must also provide that the custodian shall confirm the receipt, substitution or release of the collateral, the frequency of revaluation of eligible securities and the substitution of collateral when a change in the rating of a security may cause ineligibility.

An eligible irrevocable letter of credit may be issued, in favor of the BOCES, by a qualified bank other than the depository bank. Such letters may have a term not to exceed 90 days and must have an aggregate value equal to 140% of the deposit obligations and the agreed upon interest. Qualified banks include those with commercial paper or other unsecured or short-term debt ratings within one of the three highest categories assigned by at least one nationally recognized statistical rating organization or a bank that is in compliance with applicable Federal minimum risk-based capital requirements.

An eligible surety bond must be underwritten by an insurance company authorized to do business in the State which has claims paying ability rated in the highest rating category for claims paying ability by at least two nationally recognized statistical rating organizations. The surety bond must be payable to the BOCES in an amount equal to 100% of the aggregate deposits and the agreed interest thereon.

FINANCIAL FACTORS

Basis of Accounting

Beginning with the fiscal year ending June 30, 2003 the BOCES is required and has issued its financial statements in accordance with The Government Accounting Standards Board (GASB) Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as Management's Discussion and Analysis.

The BOCES' governmental funds are accounted for on a modified accrual basis whereby revenues, other than those susceptible ("measurable" and "available" to finance current operations) to accrual, are recorded when received in cash. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues susceptible to accrual include charges for services, intergovernmental revenues and operating transfers. If expenditures are the primary factor for determining reimbursement under the terms of a grant, revenue is recognized when the expenditure is incurred. Expenditures are generally recognized when the related fund liability is incurred.

Fund Structure and Accounts

The General Fund is the general operating fund for the BOCES which is used to account for all financial resources except those required to be accounted for in another fund. The General Fund accounts for substantially all revenues and expenditures of the BOCES.

The BOCES also maintains Special Revenue Funds which are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes. Special Revenue Funds include the Special Aid Fund (Federal and State) and the School Lunch Fund. In addition, the BOCES maintains an Internal Service Fund which is used to account for operations that provide services to other departments or to other governments and Trust and Agency Funds which are used to account for and report assets held by the BOCES in a trustee capacity or as an agent for individuals, private organizations, other governments and/or funds. Agency funds are custodial in nature and do not involve measurement or results of operation.

State Aid

The BOCES is not eligible to receive State aid directly. The BOCES applies for BOCES State aid on behalf of the Component School Districts for those aidable services the Component School Districts purchase from the BOCES. Approximately 55% of such State aid is received by the BOCES from the State for payment to the Component School Districts during the current fiscal year. The remaining 45% aid applicable to the current fiscal year is received by the BOCES and paid to the component School Districts in September of the following fiscal year.

State aid received by the BOCES for distribution to the Component School Districts for the 2017-18 fiscal year was \$28.7 million. The BOCES estimates it will receive \$31.18 million State aid for the Component School Districts for the 2018-19 fiscal year.

Events Affecting State Aid to New York School Districts

The recent history of state aid to school districts in the State for the last five years is as follows:

School district fiscal year (2014-2015): The State Legislature adopted the State budget on March 31, 2014. The budget included an increase of \$1.1 billion in State aid for school districts.

The Smart Schools Bond Act was passed as part of the Enacted 2014-2015 State Budget. The Smart Schools Bond Act authorizes the issuance of \$2 billion of general obligation bonds to finance improved educational technology and infrastructure to improve learning and opportunity for students throughout the State.

School district fiscal year (2015-2016): The State Legislature adopted the State budget on March 31, 2015. The budget included an increase of \$1.4 billion in State aid for school districts that was tied to changes in the teacher evaluation and tenure process. School districts were required to obtain approval of their revised teacher evaluation plans by November 15, 2015 in order to receive their allotted increase in State aid.

School district fiscal year (2016-2017): The State Legislature adopted the State budget on March 31, 2016. The budget included an increase of \$991 million in State aid for school districts over the State’s 2015-16 Budget, \$863 million of which consisted of traditional operating aid. In addition to the \$408 million of expense based aid, the Governor’s budget included a \$266 million increase in Foundation Aid and a \$189 million restoration to the Gap Elimination Adjustment. The majority of the remaining increase included \$100 million in Community Schools Aid, a newly adopted aid category, to support school districts that wish to create community schools. The funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families.

School district fiscal year (2017-2018): The State’s 2017-2018 Budget provided for school aid of approximately \$25.8 billion, an increase of \$1.1 billion in school aid spending from the 2016-2017 school year. The majority of the increases have been targeted to high need school districts. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full in keeping with the State’s usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. In addition, the State 2017-18 Budget allows the Governor to reduce aid to school districts mid-year if receipts from the Federal government are less than what was expected. The Legislature then will have 90 days to approve the Governor’s plan.

School district fiscal year (2018-2019): The State’s final education budget includes record support for schools of more than \$26 billion, including an increase of \$1 billion over last year. This four-percent increase continues the commitment of funding education at a rate higher than the growth of the rest of the budget. In addition, the State 2018-19 Budget allows the Governor to reduce aid to school districts mid-year if receipts from the Federal government are less than what was expected. In addition, the State 2017-18 Budget allows the Governor to reduce aid to school districts mid-year if receipts from the Federal government are less than what was expected.

The BOCES believes that it would mitigate the impact of any delays or the reduction in State aid by reducing expenditures, increasing revenues, appropriating other available funds on hand, and/or by any combination of the foregoing.

Independent Audits

The financial statements of the BOCES are audited each year by a firm of independent public accountants. For the fiscal year ended June 30, 2018 the audit was performed by the firm of PKF O’Connor Davies.

BOCES INDEBTEDNESS

Indebtedness of the BOCES

The BOCES currently has no authorized or outstanding capital indebtedness. Information with respect to BOCES cash flow financings (revenue anticipation notes) during the past five fiscal years which were paid at maturity in full, is as follows:

<u>Amount Issued</u>	<u>Date Issued</u>	<u>Maturity Date</u>
\$6,000,000	January 31, 2014	June 28, 2014
6,000,000	February 5, 2015	June 30, 2015
6,000,000	February 4, 2016	June 30, 2016
6,000,000	January 12, 2017	June 20, 2017
6,000,000	January 16, 2018	June 29, 2018

BOCES Lease Obligations

The BOCES had \$19,574,053 of installment purchase debt to finance the cost of computers and other equipment on behalf of certain school districts as of June 30, 2017. The terms of the agreements provide for the repayment between 36 to 60 months including interest at rates between 2.39% and 3.98. The BOCES makes lease payments for such equipment to the lessor and the applicable district reimburses such amounts to the BOCES. The following is the amount of installment purchase debt outstanding at the end of each of the last five fiscal years.

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Beginning Balance	\$11,578,504	\$14,466,402	\$14,538,987	\$ 18,641,671	\$ 19,574,053
Issued	9,193,103	7,429,333	11,664,675	9,789,012	8,347,692
Redeemed	<u>6,305,205</u>	<u>7,356,748</u>	<u>7,561,991</u>	<u>8,856,630</u>	<u>8,767,832</u>
Ending Balance	<u><u>\$14,466,402</u></u>	<u><u>\$14,538,987</u></u>	<u><u>\$18,641,671</u></u>	<u><u>\$19,574,053</u></u>	<u><u>\$19,153,913</u></u>

ECONOMIC AND DEMOGRAPHIC DATA

The following section presents certain information on economic and demographic statistics relating to the County of Westchester, with comparative figures for the State. The information set forth below with respect to the County and State is included for information purposes only. It should not be implied from the inclusion of such data in this Official Statement that the BOCES is necessarily representative of the County or vice versa.

Population

	<u>Population</u>			<u>% Change</u>	
	<u>2000</u>	<u>2010</u>	<u>2016</u>	<u>2000-2010</u>	<u>2010-2016</u>
County	923,459	949,113	969,229	2.8%	2.1%
State	18,976,457	19,378,102	19,697,457	2.1	1.6

Source: U.S. Department of Commerce, Bureau of the Census.

Income

	<u>Per Capita Money Income</u>		
	<u>2010</u>	<u>2016</u>	<u>% Change</u>
County	\$47,184	49,938	4.4%
State	30,948	34,212	10.5

Source: U.S. Department of Commerce, Bureau of the Census.

Employment

Average Employed Civilian Labor Force 2000 - 2017

	2000	2010	2017	% Change	
				2000-2010	2010-2017
County	445,400	443,500	462,100	(0.4)%	4.2%
State	8,718,700	8,769,700	9,249,200	0.6	5.5

Source: New York State Department of Labor.

Average Unemployment Rates

Year	County	State	United States
2013	6.3%	7.7%	7.4%
2014	5.1	6.3	6.2
2015	4.5	5.3	5.3
2016	4.3	4.8	4.9
2017	4.6	4.7	4.4
2018: ⁽¹⁾			
Jan	4.6	4.9	5.1
Feb	4.7	5.2	5.1
Mar	4.3	4.7	4.8
Apr	3.7	4.2	4.3
May	3.2	3.8	3.7
Jun	3.6	4.1	4.2
Jul	3.5	4.1	4.2
Aug	3.5	4.1	4.1
Sep	3.2	3.6	3.8

(1) Monthly Rates.

Source: New York State Labor Department and U.S. Bureau of Labor Statistics.

END OF APPENDIX A

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APPENDIX B

**CERTAIN INFORMATION OBTAINED
FROM FINANCIAL STATEMENTS AND BUDGETS**

(Summaries are not audited)

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BOCES SOUTHERN WESTCHESTER
GENERAL FUND
BALANCE SHEET
UNAUDITED PRESENTATION

AS OF JUNE 30:

	2014	2015	2016	2017	2018
ASSETS					
Cash - Unrestricted	\$ 8,315,248	\$ 6,778,174	\$ 5,435,221	\$ 4,105,614	4,465,876
Cash - Restricted	0	0	1,411,533	2,136,835	0
Investments	0	0	0	0	114,666
Accounts Receivable	252,077	290,840	209,433	378,570	279,869
State and Federal Aid	10,058,071	10,509,003	11,633,507	14,043,923	15,577,448
Due From School Districts	25,463,202	19,745,562	26,823,141	25,348,627	26,524,075
Due From Other Funds	4,583,750	5,558,159	4,983,790	3,000,148	2,737,988
Prepaid Expenditures	0	0	1,290,662	1,559,813	1,671,019
Total Assets	\$ 48,672,348	\$ 42,881,738	\$ 51,787,287	\$ 50,573,530	51,370,941
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Payable	\$ 5,109,962	\$ 3,512,336	\$ 4,476,440	\$ 6,926,866	9,066,720
Accrued Liabilities	1,210,647	1,215,979	743,331	1,307,109	491,393
Due To Other Governments	1,112,592	552,335	780,182	3,407,463	2,398,199
State Aid Due to School Districts	10,058,071	10,508,975	18,223,309	14,043,923	15,577,448
Due To Other Funds	5,312,408	4,934,335	7,075,443	5,736,261	5,215,799
Due To Retirement Systems	6,925,409	6,691,816	5,182,879	4,453,782	4,011,966
Unearned Revenue	573,290	175,303	165,987	366,131	362,206
Total Liabilities	30,302,379	27,591,079	36,647,571	36,241,535	37,123,731
Fund Equity:					
Nonspendable	0	0	0	1,559,813	1,671,019
Assigned	4,516,799	4,448,293	6,050,184	7,042,324	7,974,881
Committed	14,262,064	10,842,366	7,677,999	5,152,836	3,135,494
Restricted	0	0	1,411,533	2,136,835	3,136,835
Unassigned	(408,894)	0	0	(1,559,813)	(1,671,019)
Total Fund Equity	18,369,969	15,290,659	15,139,716	14,331,995	14,247,210
Total Liabilities and Fund Equity	\$ 48,672,348	\$ 42,881,738	\$ 51,787,287	\$ 50,573,530	\$ 51,370,941

The financial data presented on this page has been excerpted from the audited financial statements of the District. Such presentation, however, has not been audited. Complete copies of the District's audited financial statements are available upon request.

BOCES SOUTHERN WESTCHESTER
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
UNAUDITED PRESENTATION

AS OF JUNE 30:

	2014	2015	2016	2017	2018
REVENUES:					
Charges For Services	\$ 13,293,649	\$ 12,708,390	\$ 12,255,725	\$ 13,082,960	\$ 13,501,546
Charges For Components	92,258,837	93,361,981	101,483,114	106,222,072	104,493,333
Charges For Other BOCES	48,929,616	48,060,769	46,662,151	49,450,761	49,050,431
Use Of Money And Property	0	0	0	0	30,110
Interest and Earnings	22,665	23,681	13,516	7,522	0
Sale Of Property And Compensation For Loss	104,096	295,552	123,344	58,220	75,004
Interfund Revenues	20,211	103,943	1,469,203	69,334	67,759
Federal Sources	0	0	0	0	478,056
Miscellaneous	3,438,540	3,685,817	3,612,390	4,343,023	6,315,428
Total Revenues	158,067,614	158,240,133	165,619,443	173,233,892	174,011,667
EXPENDITURES:					
Current:					
Administration	13,409,553	14,183,581	14,538,344	13,919,919	13,781,560
Capital	0	0	0	0	0
Occupational Instruction	10,316,155	10,472,643	11,948,342	12,268,989	13,222,148
Instruction For Special Education	37,506,267	37,717,101	37,478,907	37,106,307	37,125,862
Itinerant Services	1,844,832	2,107,252	2,661,260	2,755,604	3,013,063
General Instruction	3,316,441	3,196,153	3,352,201	3,243,561	3,765,591
Instructional Support	61,013,146	61,557,372	63,012,947	68,259,695	70,813,237
Other Services	29,275,624	26,871,237	28,267,592	30,825,996	31,635,177
Total Expenditures	156,682,018	156,105,339	161,259,593	168,380,071	173,356,638
Excess (Deficiency) of Revenues Over Expenditures	1,385,596	2,134,794	4,359,850	4,853,821	655,029
OTHER FINANCING SOURCES (USES):					
Return of Surplus	0	0	(3,812,014)	(4,931,042)	0
Operating Transfers - Out	(3,650,952)	(5,214,104)	(698,776)	(730,501)	(739,814)
Total Other Financing Sources (Uses)	(3,650,952)	(5,214,104)	(4,510,790)	(5,661,543)	(739,814)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(2,265,356)	(3,079,310)	(150,940)	(807,722)	(84,785)
Fund Balance Beginning of Year	20,635,325	18,369,969	15,290,659	15,139,716	14,331,995
Adjustment	0	0	(3)	1	0
Fund Equity - End of Year	\$ 18,369,969	\$ 15,290,659	\$ 15,139,716	\$ 14,331,995	\$ 14,247,210

The financial data presented on this page has been excerpted from the audited financial statements of the District. Such presentation, however, has not been audited. Complete copies of the District's audited financial statements are available upon request.

BOCES SOUTHERN WESTCHESTER
STATEMENT OF BUDGETED REVENUES AND EXPENDITURES
GENERAL FUND, SPECIAL AID FUND AND SCHOOL LUNCH FUND

FISCAL YEARS ENDED JUNE 30:

	<u>2017-18</u>	<u>2018-19</u>
	<u>Budget</u>	<u>Budget</u>
REVENUES:		
Component Districts	\$ 102,078,908	\$ 111,429,317
Non-Component Districts	11,082,038	10,754,279
Other BOCES	50,324,190	49,020,827
Interest Earned	25,000	25,000
Other (State, Federal, Agencies, & Misc.)	<u>10,983,156</u>	<u>10,861,366</u>
TOTAL REVENUES	<u>\$ 174,493,292</u>	<u>\$ 182,090,789</u>
 EXPENDITURES:		
Administration	\$ 10,850,180	\$ 11,330,440
Capital	3,248,867	3,254,814
Career Services	9,592,119	9,935,710
Adult & Community Services	2,901,739	3,197,051
Special Services	44,751,765	46,138,306
Staff Development	4,386,319	4,828,099
Transportation	872,249	881,763
Interscholastic Athletics	5,700,734	5,964,540
Instructional Support & Technology	66,856,237	70,280,128
Other BOCES Services	14,349,927	15,418,572
Special Aid Fund	6,283,787	6,468,246
Grants	4,281,317	3,902,970
School Lunch Fund	<u>418,052</u>	<u>490,150</u>
TOTAL EXPENDITURES	<u>\$ 174,493,292</u>	<u>\$ 182,090,789</u>

Source: Adopted Budgets

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APPENDIX C

**COMPONENT AND NON-COMPONENT SCHOOL DISTRICT
FINANCIAL INFORMATION
(Summaries are not audited)**

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COMPONENT AND NON-COMPONENT SCHOOL DISTRICTS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GENERAL FUND
UNAUDITED PRESENTATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2018, UNLESS OTHERWISE NOTED:

	Blind				
	Ardsley	Brook-Rye	Bronxville	Byram Hills 2017	Dobbs Ferry
REVENUES:					
Real Property Taxes	\$ 47,574,541	\$ 35,757,802	\$ 40,383,772	\$ 74,842,147	\$ 33,371,467
Other Tax Items	5,261,600	2,117,845	1,129,770	6,943,399	3,598,952
Non-Property Taxes	547,706	364,131	360,144	608,041	535,911
Charges For Services	3,822,605	740,337	2,431,168	136,650	1,377,300
Use Of Money And Property	400,022	423,458	118,265	82,085	172,399
Sale Of Property And					
Compensation For Loss	0	2,455	1,884	60,671	10,973
Interfund Revenues	0	0	0	0	0
State Aid	7,088,524	2,991,477	2,568,354	4,255,836	4,471,261
Medicaid Reimbursement	52,335	0	0	0	0
Federal Aid	0	0	0	0	69,537
Miscellaneous	466,528	87,381	146,243	434,374	122,102
Total Revenues	65,213,861	42,484,886	47,139,600	87,363,203	43,729,902
EXPENDITURES:					
Current:					
General Support	5,974,803	8,274,775	6,628,688	9,505,012	5,652,692
Instruction	37,102,170	25,675,047	26,873,939	46,896,294	25,116,652
Pupil Transportation	2,044,095	1,304,126	913,610	3,951,441	1,177,087
Community Services	532,824	0	0	0	71,713
Employee Benefits	12,971,465	9,443,723	9,323,809	19,506,148	9,453,600
Debt Service	0	2,408,932	0	0	2,380,226
Total Expenditures	58,625,357	47,106,603	43,740,046	79,858,895	43,851,970
Excess (Deficiency) of Revenues Over Expenditures	6,588,504	(4,621,717)	3,399,554	7,504,308	(122,068)
OTHER FINANCING SOURCES (USES):					
Proceeds of Obligations	0	4,752,354	0	0	0
Insurance Recoveries	0	0	0	0	0
Transfers - In	8,088	0	90,968	119,404	0
Transfers - Out	(4,913,313)	(29,438)	(2,949,231)	(6,839,260)	(25,626)
Other Financing Sources (Uses)	0	0	0	0	0
Total Other Financing Sources (Uses)	(4,905,225)	4,722,916	(2,858,263)	(6,719,856)	(25,626)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	1,683,279	101,199	541,291	784,452	(147,694)
Fund Balance					
Beginning of Year	17,372,128	4,688,391	7,304,179	26,578,722	10,226,950
Prior Period Adjustment	0	0	0	0	0
Change in Accounting Principle	0	0	0	0	0
Fund Balance - End of Year	\$ 19,055,406	\$ 4,789,590	\$ 7,845,470	\$ 27,363,174	\$ 10,079,256

The financial data presented on this page has been excerpted from the audited financial statements of the Component Districts. Such presentation, however, has not been audited. A complete copy of each of the component District's audited financial statements are available upon request to the District.

COMPONENT AND NON-COMPONENT SCHOOL DISTRICTS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GENERAL FUND
UNAUDITED PRESENTATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2018, UNLESS OTHERWISE NOTED:

	East- Chester	Edgemont	Elmsford	Greenburgh Central 7 2017
REVENUES:				
Real Property Taxes	\$ 63,176,543	\$ 46,889,963	\$ 26,990,851	\$ 47,547,549
Other Tax Items	9,912,673	2,905,886	3,197,733	9,405,771
Non-Property Taxes	0	420,631	0	1,100,000
Charges For Services	2,842,113	788,193	197,841	985,000
Use Of Money And Property	154,959	228,130	197,045	184,000
Sale Of Property And Compensation For Loss	66,457	5,000	0	51,500
Internal Revenues	0	4,500	0	0
State Aid	6,692,809	4,428,389	2,592,159	5,062,463
Medicaid Reimbursement	0	0	0	0
Federal Aid	0	0	5,596	65,000
Miscellaneous	254,416	449,167	70,284	241,000
Total Revenues	83,099,970	56,119,859	33,251,509	64,642,283
EXPENDITURES:				
Current:				
General Support	8,914,103	7,264,622	3,280,785	8,232,577
Instruction	45,738,402	32,062,796	18,541,758	33,275,622
Pupil Transportation	3,072,620	749,810	2,498,371	5,518,471
Community Services	12,090	0	0	0
Employee Benefits	17,769,525	12,556,365	6,226,454	18,409,129
Debt Service	4,411,449	0	0	25,000
Total Expenditures	79,918,189	52,633,593	30,547,368	65,460,799
Excess (Deficiency) of Revenues Over Expenditures	3,181,781	3,486,266	2,704,141	(818,516)
OTHER FINANCING SOURCES (USES):				
Proceeds of Obligations			101,575	
Proceeds from Debt	0	0	0	0
Transfers - In	0	0	0	0
Transfers - Out	(2,624,342)	(3,120,308)	(35,120)	(819,416)
Other Financing Sources (Uses)	0	0	0	0
Total Other Financing Sources (Uses)	(2,624,342)	(3,120,308)	66,455	(819,416)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	557,439	365,958	2,770,596	(1,637,932)
Fund Balance				
Beginning of Year	8,709,615	11,098,758	20,337,491	1,637,932
Prior Period Adjustment	0	0	0	0
Change in Accounting Principle	0	0	0	0
Fund Balance - End of Year	\$ 9,267,054	\$ 11,464,716	\$ 23,108,087	\$ 0

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COMPONENT AND NON-COMPONENT SCHOOL DISTRICTS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GENERAL FUND
UNAUDITED PRESENTATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2018, UNLESS OTHERWISE NOTED:

	Greenburgh Eleven	Greenburgh Graham	Greenburgh No. Castle	Harrison	Hastings on-Hudson
	2017		2017		
REVENUES:					
Real Property Taxes	\$ 0	\$ 0	\$ 0	\$ 97,972,630	\$ 34,610,664
Other Tax Items	0	0	0	5,229,995	4,093,275
Non-Property Taxes	0	0	0	1,583,371	483,811
Charges For Services	13,374,654	16,914,928	26,664,978	517,635	635,294
Use Of Money And Property	5,060	25,991	1,326	521,439	135,963
Sale Of Property And Compensation For Loss	0	0	27,483	42,818	1,418
State Aid	87,284	33,130	51,912	4,328,566	5,586,692
Federal Aid	0	0	0	0	0
Miscellaneous	100,424	48,663	105,239	824,365	162,667
Total Revenues	13,567,422	17,022,712	26,850,938	111,020,819	45,709,784
EXPENDITURES:					
Current:					
General Support	2,427,683	2,348,102	3,754,895	13,419,939	5,233,713
Instruction	7,116,487	11,704,765	15,177,663	61,609,911	28,379,658
Pupil Transportation	0	27,270	17,380	5,427,958	1,356,833
Employee Benefits	4,172,795	5,210,231	6,704,349	26,522,683	10,507,482
Debt Service	146,557	162,226	91,608	0	151,222
Total Expenditures	13,863,522	19,452,594	25,745,895	106,980,491	45,628,908
Excess (Deficiency) of Revenues Over Expenditures	(296,100)	(2,429,882)	1,105,043	4,040,328	80,876
OTHER FINANCING SOURCES (USES):					
Proceeds of Obligations					
Transfers - In	0	0	0	0	275,000
Transfers - Out	0	0	0	(2,740,110)	(980,109)
Other Financing Sources (Uses)	0	11,860	0	0	0
Total Other Financing Sources (Uses)	0	11,860	0	(2,740,110)	(705,109)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(296,100)	(2,418,022)	1,105,043	1,300,218	(624,233)
Fund Balance					
Beginning of Year	3,921,103	3,374,874	(1,542,635)	25,653,816	10,003,572
Prior Period Adjustment	0	0	0	0	0
Change in Accounting Principle	0	0	0	0	0
Fund Balance - End of Year	\$ 3,625,003	\$ 956,852	\$ (437,592)	\$ 26,954,034	\$ 9,379,339

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COMPONENT AND NON-COMPONENT SCHOOL DISTRICTS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GENERAL FUND
UNAUDITED PRESENTATION

	2017				
	Hawthorne Cedar Knolls	Irvington	Mamaroneck	Mt. Pleasant Blythedale	Mt. Pleasant Central
	2017	2017	2017		
REVENUES:					
Real Property Taxes	\$ 0	\$ 46,854,825	\$ 111,140,433	\$ 0	\$ 51,406,886
Other Tax Items	0	5,219,138	6,813,470	0	713,022
Non-Property Taxes	0	0	1,506,629	0	0
Charges For Services	19,502,856	912,294	1,568,033	6,732,000	164,339
Use Of Money And Property	3,819	426,674	835,974	982	103,430
Sale Of Property And Compensation For Loss	17,820	10,161	450	0	29,501
Interfund Transfers	0	0	0	0	0
State Aid	60,107	3,840,328	7,298,990	26,248	6,300,287
Federal Aid	0	0	65,252	0	0
Miscellaneous	67,397	387,360	515,638	99,365	312,601
Total Revenues	<u>19,651,999</u>	<u>57,650,780</u>	<u>129,744,869</u>	<u>6,858,595</u>	<u>59,030,066</u>
EXPENDITURES:					
Current:					
General Support	3,441,051	6,269,033	14,688,333	1,201,702	6,364,098
Instruction	10,207,159	32,535,061	71,887,278	3,896,526	32,579,984
Pupil Transportation	83,211	2,166,409	3,592,080	0	2,570,894
Community Services	0	0	0	0	0
Employee Benefits	5,689,005	12,077,503	34,162,313	1,626,198	12,167,511
Debt Service	77,148	5,004,889	395,082	14,410	2,566,788
Refunding Bond Issuance Costs	0	0	0	0	0
Total Expenditures	<u>19,497,574</u>	<u>58,052,895</u>	<u>124,725,086</u>	<u>6,738,836</u>	<u>56,249,275</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>154,425</u>	<u>(402,115)</u>	<u>5,019,783</u>	<u>119,759</u>	<u>2,780,791</u>
OTHER FINANCING SOURCES (USES):					
Proceeds of Obligations					
Retroactive rate adjustment rebilling	0	0	0	0	0
Refunding Bonds Issued	0	0	0	0	0
Issuance Premium	0	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0	0
Issuance Recoveries	0	0	0	0	0
Transfers - In	0	0	0	39,576	0
Transfers - Out	0	(43,397)	(8,457,553)	0	(1,659,607)
Other Financing Sources (Uses)	(154,425)	0	0	0	0
Total Other Financing Sources (Uses)	<u>(154,425)</u>	<u>(43,397)</u>	<u>(8,457,553)</u>	<u>39,576</u>	<u>(1,659,607)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>0</u>	<u>(445,512)</u>	<u>(3,437,770)</u>	<u>159,335</u>	<u>1,121,184</u>
Fund Balance					
Beginning of Year	(1,167,454)	6,080,771	15,575,336	1,306,985	8,695,131
Prior Period Adjustment	0	0	0	0	0
Change in Accounting Principle	0	0	0	0	0
Fund Balance - End of Year	<u>\$ (1,167,454)</u>	<u>\$ 5,635,259</u>	<u>\$ 12,137,566</u>	<u>\$ 1,466,320</u>	<u>\$ 9,816,315</u>

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COMPONENT AND NON-COMPONENT SCHOOL DISTRICTS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GENERAL FUND
UNAUDITED PRESENTATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2018, UNLESS OTHERWISE NOTED:

	Mt. Pleasant Cottage 2017	Mt. Vernon	New Rochelle	Pelham	Pleasant- Ville 2017
REVENUES:					
Real Property Taxes	\$ 0	\$ 115,039,193	\$ 183,328,690	\$ 56,330,270	\$ 31,141,431
Other Tax Items	0	20,663,813	21,913,112	4,097,061	4,514,801
Non-Property Taxes	0	2,463,049	2,869,221	689,846	431,946
Charges For Services	15,888,777	1,321,080	2,658,531	1,096,414	4,119,728
Use Of Money And Property	445	983,944	851,464	98,808	75,980
Sale Of Property And Compensation For Loss	3,098	0	6,561	7,939	0
Interfund Revenues	0	240,058	0	0	0
State Aid	254,769	97,481,194	42,786,510	7,568,105	7,173,148
Federal Aid	0	60,370	223,884	0	10,546
Miscellaneous	87,634	1,153,265	2,242,639	337,173	196,281
Total Revenues	16,234,723	239,405,966	256,880,612	70,225,616	47,663,861
EXPENDITURES:					
Current:					
General Support	1,836,796	32,887,277	33,618,930	7,685,539	4,692,960
Instruction	8,427,012	134,923,976	142,288,809	42,697,192	27,264,593
Pupil Transportation	118,173	7,771,752	13,296,242	1,046,723	617,851
Community Services	0	0	2,469	97,585	2,639
Employee Benefits	5,084,545	47,678,914	52,155,810	15,671,941	10,699,028
Debt Service	15,285	15,474,139	9,913,066	0	0
Total Expenditures	15,481,811	238,736,058	251,275,326	67,198,980	43,277,071
Excess (Deficiency) of Revenues Over Expenditures	752,912	669,908	5,605,286	3,026,636	4,386,790
OTHER FINANCING SOURCES (USES):					
Bonds Issued	0	0	0	0	0
Premium on Bonds Issued	0	5,749,214	0	0	0
Insurance Recoveries	0	136,393	0	0	0
Transfers - In	0	91,675	275,000	150,000	0
Transfers - Out	0	(6,599,412)	(3,937,045)	(4,083,699)	(4,637,616)
Other Financing Sources (Uses)	0	0	0	0	0
Total Other Financing Sources (Uses)	0	(622,130)	(3,662,045)	(3,933,699)	(4,637,616)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	752,912	47,778	1,943,241	(907,063)	(250,826)
Fund Balance					
Beginning of Year	(840,113)	33,015,823	28,019,865	16,671,880	6,344,065
Prior Period Adjustment	0	0	0	0	0
Change in Accounting Principle	0	0	0	0	0
Fund Balance - End of Year	\$ (87,201)	\$ 33,063,601	\$ 29,963,106	\$ 15,764,817	\$ 6,093,239

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COMPONENT AND NON-COMPONENT SCHOOL DISTRICTS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GENERAL FUND
UNAUDITED PRESENTATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2018, UNLESS OTHERWISE NOTED:

	Pocantico Hills	Port Chester Rye	Rye City	Rye Neck	Scarsdale
	2017	2017	2017	2017	2017
REVENUES:					
Real Property Taxes	\$ 24,937,934	\$ 54,570,553	\$ 72,907,993	\$ 33,313,675	\$ 140,142,277
Other Tax Items - Including STAR					
Reimbursement	1,012,979	8,831,813	3,117,694	2,632,346	40,747
Non-Property Taxes	0	1,701,235	1,564,396	459,370	1,066,567
Charges For Services	433,294	106,863	1,342,255	885	695,212
Use Of Money And Property	358,515	320,307	232,493	50,167	656,206
Sale Of Property And					
Compensation For Loss	3,691	20,192	836	6,567	24,868
Interfund Revenue	0	0	0	0	0
State Aid	2,916,610	22,067,162	3,809,883	2,258,005	7,041,895
Medicaid Reimbursement	0	0	0	0	0
Federal Aid	0	244,877	8,775	0	0
Miscellaneous	130,717	685,706	195,268	109,217	180,992
Total Revenues	29,793,740	88,548,708	83,179,593	38,830,232	149,848,764
EXPENDITURES:					
Current:					
General Support	3,220,146	9,918,396	9,020,792	4,474,009	15,977,056
Instruction	13,391,356	56,104,766	48,138,649	22,899,781	81,883,587
Pupil Transportation	1,164,515	2,808,478	1,661,675	707,149	3,904,636
Community Services	573,188	89,250	27,468	0	395,766
Employee Benefits	4,117,623	20,071,729	17,319,926	8,675,797	33,580,069
Debt Service	2,336,105	1,800,900	4,046,716	1,836,900	9,821,723
Total Expenditures	24,802,933	90,793,519	80,215,226	38,593,636	145,562,837
Excess (Deficiency) of Revenues Over Expenditures	4,990,807	(2,244,811)	2,964,367	236,596	4,285,927
OTHER FINANCING SOURCES (USES):					
Proceeds of Obligations	0	0	0	0	0
Insurance Recoveries	0	0	0	0	0
Transfers - In	1,663	0	0	0	215,320
Transfers - Out	(243,156)	(1,085,291)	(909,744)	(14,365)	(1,817,867)
Other Financing Sources (Uses)	0	0	0	0	0
Total Other Financing Sources (Uses)	(241,493)	(1,085,291)	(909,744)	(14,365)	(1,602,547)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	4,749,314	(3,330,102)	2,054,623	222,231	2,683,380
Fund Balance					
Beginning of Year	14,306,458	10,289,460	13,512,755	8,638,185	20,739,353
Prior Period Adjustment	0	0	0	0	0
Change in Accounting Principle	0	0	0	0	0
Fund Balance - End of Year	\$ 19,055,772	\$ 6,959,358	\$ 15,567,378	\$ 8,860,416	\$ 23,422,733

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COMPONENT AND NON-COMPONENT SCHOOL DISTRICTS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GENERAL FUND
UNAUDITED PRESENTATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2018, UNLESS OTHERWISE NOTED:

	Tarrytown 2017	Tuckahoe 2017	Valhalla	White Plains	Yonkers 2017
REVENUES:					
Real Property Taxes	\$ 49,182,176	\$ 23,904,012	\$ 38,120,125	\$ 160,672,739	\$ 0
Other Tax Items - Including STAR				23,704,759	
Reimbursement	8,241,944	2,825,076	3,999,991	0	0
Non-Property Taxes	1,040,360	396,545	534,470	3,489,640	0
Charges For Services	1,623,505	1,147,452	267,977	2,411,221	471,839
Use Of Money And Property	267,247	175,121	239,043	2,268,430	318,656
Forfeitures	0	0	0	0	0
Sale Of Property And Compensation For Loss	75,008	0	57	159,499	2,000
Interfund Revenues	0	0	0	64,383	1,276,647
State Aid	12,792,736	2,956,299	5,370,556	26,167,847	289,925,696
Federal Aid	0	10,800	0	83,400	712,905
Miscellaneous	349,390	348,903	518,738	1,349,983	2,372,976
Total Revenues	73,572,366	31,764,208	49,050,957	220,371,901	295,080,719
EXPENDITURES:					
Current:					
General Support	6,471,379	3,819,721	5,407,811	27,189,420	0
Instruction	40,639,432	16,921,315	26,218,401	113,734,668	282,227,261
Pupil Transportation	2,852,975	1,491,018	2,756,202	9,232,165	37,547,079
Employee Benefits	16,114,763	6,094,947	10,989,327	45,334,957	133,530,997
Debt Service	5,970,338	2,206,841	2,070,392	10,192,061	1,787,856
Issuance Costs	0	0	0	0	328,440
Refunding Bond Issuance Costs	0	0	0	0	0
Total Expenditures	72,048,887	30,533,842	47,442,133	205,683,271	455,421,633
Excess (Deficiency) of Revenues Over Expenditures	1,523,479	1,230,366	1,608,824	14,688,630	(160,340,914)
OTHER FINANCING SOURCES (USES):					
Contribution from the City of Yonkers	0	0	0	0	228,996,846
Transfers - In	0	0	0	0	0
Transfers - Out	(1,851,436)	(108,053)	(2,318,831)	(3,166,194)	(18,242,820)
Other Financing Sources (Uses)	0	0	29,380	0	0
Total Other Financing Sources (Uses)	(1,851,436)	(108,053)	(2,289,451)	(3,166,194)	252,801,217
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(327,957)	1,122,313	(680,627)	11,522,436	92,460,303
Fund Balance					
Beginning of Year	13,908,629	5,374,898	9,992,945	83,031,497	(37,449,316)
Prior Period Adjustment	0	0	0	0	0
Change in Accounting Principle	0	0	0	0	0
Fund Balance - End of Year	\$ 13,580,672	\$ 6,497,211	\$ 9,312,318	\$ 94,553,933	\$ 55,010,987

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APPENDIX D

CASH FLOW STATEMENTS

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Southern Westchester BOCES
Cash Flow Statement
Fiscal Year Ending June 30, 2018
(Actual)

	July	August	September	October	November	December	January	February	March	April	May	June	Totals
BALANCE (Beg. Mo.)	6,147,815	12,646,800	7,479,740	12,586,699	3,544,352	4,884,377	3,742,499	6,126,462	2,152,965	4,066,175	9,371,564	11,564,067	6,147,815
School Billings	22,522,101	12,255,969	6,564,945	13,231,514	12,162,702	10,353,912	15,346,888	12,222,265	16,262,665	17,023,592	14,566,613	16,237,550	168,750,715
Interest	900	919	1,221	765	473	537	612	967	787	1,074	1,438	1,826	11,519
General	324,862	240,661	556,279	780,573	259,852	159,137	1,043,316	1,418,798	423,964	495,132	375,070	424,345	6,501,989
State Aid			14,043,923					2,571,112				7,160,696	23,775,731
Interfund Receipts	716,036	826,314	1,063,581	224,404	1,076,103	1,798,856	370,727	558,390	162,261	2,098,976	1,512,789	46,287	10,454,725
Note Proceeds			-	-			6,017,606						6,017,606
	29,711,713	25,970,664	29,709,688	26,823,955	17,043,482	17,196,820	26,521,648	22,897,995	19,002,641	23,684,950	25,827,474	35,434,771	221,660,099
Payroll	2,599,632	3,286,897	7,219,166	4,765,025	4,762,116	5,269,275	4,649,437	5,044,990	7,295,634	4,777,880	4,881,386	7,104,999	61,656,438
General	14,465,281	15,204,027	5,854,520	8,519,958	7,396,989	8,185,046	15,745,749	9,734,052	7,640,832	9,535,506	9,382,021	10,616,111	122,280,091
State Aid			4,049,303	9,994,620				5,965,988				7,160,696	27,170,607
Interfund Transfers													-
Transfer to Note Payment Account												6,000,000	6,000,000
Note Interest Payment			-	-								67,917	67,917
	17,064,913	18,490,924	17,122,989	23,279,603	12,159,105	13,454,321	20,395,185	20,745,030	14,936,466	14,313,386	14,263,407	30,949,723	217,175,052
BALANCE (End. Mo.)	12,646,800	7,479,740	12,586,699	3,544,352	4,884,377	3,742,499	6,126,462	2,152,965	4,066,175	9,371,564	11,564,067	4,485,048	4,485,048
NOTE PAYMENT ACCOUNT													
BALANCE	-	-	-	-	-	-	-	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	-
Receipts							6,000,000						6,000,000
Disbursements												6,000,000	6,000,000
BALANCE	-	-	-	-	-	-	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	-	-

Data Source: Southern Westchester BOCES Treasurer's Office
The District incurred a deficit of \$5,582,451 in mid March 2018.

APPENDIX E

**BASIC FINANCIAL STATEMENTS,
NOTES THERETO AND
INDEPENDENT AUDITORS' REPORT
THEREON FOR THE
YEAR ENDED JUNE 30, 2018**

*** Such Financial Statements and opinion are intended to be representative only as of the date thereof. Bonadio & Co., LLP has not been requested by the District to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement.**

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APPENDIX F

FORM OF BOND COUNSEL OPINION

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The Board of Cooperative Educational Services of the
Sole Supervisory District of Westchester County, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Board of Cooperative Educational Services of the Sole Supervisory District of Westchester County (the “Board” or the “BOCES”), and have examined a record of proceedings relating to the authorization, sale and issuance of the \$8,000,000 Revenue Anticipation Note -2018 B (the “Note”), dated and delivered on the date hereof.

We have examined a record of proceedings relating to the Note for purposes of this opinion. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Note is a valid and legally binding unsecured general obligation of the BOCES payable as both principal and interest from any monies of the BOCES legally available therefor. The BOCES has no taxing power. The enforceability of rights or remedies with respect to such Note may be limited by bankruptcy, insolvency, or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Note 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 (ii) interest on the Note is not treated as a preference item in calculating the alternative minimum tax under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed for taxable years beginning prior to January 1, 2018.

The Code establishes certain requirements that must be met subsequent to the issuance of the Note in order that the interest on the Note be and remain excludable from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Note, restrictions on the investment of proceeds of the Note prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Note to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Note, the BOCES will execute a Tax Certificate relating to the Note containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the BOCES represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Note will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the BOCES’s representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Note, and (ii) compliance by the BOCES with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Note is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Note, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our

opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Note.

We give no assurances as to the accuracy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Note or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the BOCES which have been or may hereafter be furnished or disclosed to purchasers of said Note.

Very truly yours,

APPENDIX G

FORM OF UNDERTAKING TO PROVIDE NOTICES OF EVENTS

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UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

“EMMA” shall mean Electronic Municipal Market Access System implemented by the MSRB.

“GAAP” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“Holder” shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“BOCES” shall mean the Board of Cooperative Educational Services of the Sole Supervisory District of Westchester County, New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Purchaser” shall mean the financial institution referred to in the Certificate of Determination, executed by the President of the Board of the BOCES as of December 19, 2018.

“Rule 15c2-12” shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Undertaking, including any official interpretations thereof.

“Securities” shall mean the BOCES’s \$8,000,000 Revenue Anticipation Notes – 2018 B, dated December 19, 2018, maturing on June 28, 2019, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) The BOCES hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

- (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 Securities, or other material events affecting the tax status of the Securities;
- (7) modifications to rights of Securities holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;

- (10) release, substitution, or sale of property securing repayment of the Securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the BOCES;

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 BOCES 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 BOCES, 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 BOCES;

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

(b) Nothing herein shall be deemed to prevent the BOCES from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the BOCES disseminates any such additional information, the BOCES shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the BOCES from providing notice of the occurrence of certain other events, in addition to those listed above, if the BOCES determines that any such other event is material with respect to the Securities; but the BOCES does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Remedies. If the BOCES shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the BOCES and any of the officers, agents and employees of the BOCES, and may compel the BOCES or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the BOCES hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 4. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any holders of Securities, the BOCES at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the BOCES and the assumption of any such successor of the duties of the BOCES hereunder;
- (d) to add to the duties of the BOCES for the benefit of the Holders, or to surrender any right or power herein conferred upon the BOCES;
- (e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Holders in any material respect. In making such determination, the BOCES shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the BOCES shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **December 19, 2018**.

**BOARD OF COOPERATIVE EDUCATIONAL
SERVICES OF THE SOLE SUPERVISORY DISTRICT
OF WESTCHESTER COUNTY, NEW YORK**

By _____
President of the Board

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