

Preliminary Financial Analysis and Finance Goals

- Measured approach to timing and sizing of the project
- Existing Local Share reduction in the 2032-2033 and 2035-2036
- Maximize State building aid (current aid ratio of 79.7%) with none of the proposed capital project amount expected to be over the State's maximum cost allowance (MCA)
- Sound financial planning with a phasing approach to take advantage of SED's MCA resets at each of the buildings.
- Goal to have projects with no incremental additional taxpayer impact
- Strong credit rating of the District: Moody's 'Aa3' rating

Recent Capital Project Votes

- Total Authorized Projects Since 2008: \$122.9 million
- February 2008
 - Total Project Authorization: \$43,200,000
 - *\$43,200,000 Debt Financed*
- October 2015
 - Total Project Authorization: \$39,844,570
 - *\$36,476,000 Debt Financed and \$3,368,570 Capital Reserves*
- May 2024
 - Total Project Authorization: \$39,900,000
 - *\$33,900,000 Debt Financed and \$6,000,000 Capital Reserves*
 - ***May 2020 EPC not voter authorized: \$5,350,000*

Current District Debt Limit

Statutory Debt Limit and Net Indebtedness

(As of November 6, 2025)

Full Valuation of Taxable Real Property	\$2,997,289,873
Debt Limit (10% of Full Valuation)	\$299,728,987
<u>Inclusions:</u>	
Outstanding Indebtedness (Principal Only):	
Serial Bonds	\$15,830,000
Bond Anticipation Notes	<u>0</u>
Total Gross Inclusions	\$15,830,000
<u>Exclusions:</u>	
Appropriations:	
Less: Exclusions for estimated building aid ⁽¹⁾	<u>0</u>
Total Gross Exclusions	0
Total Net Indebtedness	<u>\$15,830,000</u>
Net Debt-Contracting Margin	<u>\$283,898,987</u>
Percentage of Debt-Contracting Margin Exhausted	<u>5.28%</u>

- (1) The District has received and expects to continue to receive State Aid on a portion of existing indebtedness contracted for school building purposes pursuant to Section 121.20 of the Local Finance Law, but, under the Local Finance Law, as a small city school district, it is not permitted to deduct such anticipated State building aid from its outstanding indebtedness. However, as a matter of information, State aid for building purposes is currently estimated by District officials at 79.7%.

Importance of Maximum Cost Allowances

- Maximum Cost Allowance (MCA) is the SED assigned amount by building for which a project will be aidable
- $MCA = \text{Building Aid Units (BAU)} \times \text{Monthly Construction Index (cost of goods)} \times \text{Regional Cost Factor (cost of labor)}$
- MCA for both Construction Costs and Incidental Costs (not interchangeable)
- The MCA resets for each building five years from Commissioners Approval Date
- Amounts over the MCA are 100% local District cost

Maximum Cost Allowances

North Tonawanda CSD MCA after 2024 Capital Project

<u>Building</u>	<u>Construction Allowance</u>	<u>Incidental Allowance</u>
Meadow	\$64,910,512	\$17,100,033
Intermediate	\$31,196,793	\$7,932,626
Ohio St.	\$16,060,381	\$3,296,464
Spruce	\$10,596,276	\$2,203,643
Drake	\$11,469,076	\$2,293,429

North Tonawanda CSD MCA Full Reset

<u>Building</u>	<u>Full MCA Reset Date</u>	<u>Construction Allowance</u>	<u>Incidental Allowance</u>
Meadow	7/22/2030	\$82,935,705	\$20,734,116
Intermediate	7/22/2030	\$34,099,454	\$8,525,154
Ohio St.	7/22/2030	\$16,564,899	\$3,398,134
Spruce	7/22/2030	\$16,564,899	\$3,398,134
Drake	7/22/2030	\$15,752,064	\$3,150,219

Incidental Allowance includes all sitework and professional service fees

Potential Capital Project Vote Timing and Sizing

- Capital Reserve Leveraged Tax Neutral Project
 - Vote in May 2026
 - Estimated \$59.9 million project (\$12.1 million reserves and \$47.8 in debt)
- Drop in existing local share in 2032-33 fiscal year
 - Estimated \$35 million vote in 2029-2030
- Drop in existing local share in 2035-2036 fiscal year
 - Estimated \$20 million vote in 2032-2033

Total Estimated Project Votes 2026-2032: \$114.9 million

Summary

- The 2026 voter authorized project will help catch the district up from a limited amount of previous projects since 2008 given the size of the District and the conditions of the buildings
- Effective long-term planning is more frequent and smaller projects for continuous building improvements
- Healthy capital reserve levels support fiscal stability and neutral taxpayer impact