OFFICIAL STATEMENT

New Issues – Book-Entry Only | **Insured Rating (S&P): AA/Stable**
Underlying Rating (S&P): A+

In the opinion of Waldrep Stewart & Kendrick, LLC, Bond Counsel, and assuming continuing compliance by the City with certain conditions imposed by the Internal Revenue Code of 1986, as amended, referred to herein under "TAX STATUS," interest on the Warrants (as defined herein) is presently excludable from gross income for Federal income taxation under Section 103 of said Code, regulations, rulings and court decisions heretofore rendered. Bond Counsel is of the opinion that interest on the Warrants is exempt from present State of Alabama income taxation. See "Tax Status" herein.

$7,755,000
CITY OF ONEONTA, ALABAMA
GENERAL OBLIGATION WARRANTS
SERIES 2018

Dated: Date of Delivery | **Due April 1, as shown on the inside cover**

The General Obligation Warrants, Series 2018, dated the date of delivery (the "Series 2018 Warrants" or the "Warrants") offered hereby constitute general obligations of the City of Oneonta, Alabama (the "City") for the payment of which the full faith and credit and taxing power of the City are irrevocably pledged. Interest is payable on April 1 and October 1 in each year, first interest payable April 1, 2018. The Warrants are in registered form, without coupons, and are in the denomination of $5,000 each or any integral multiple thereof. The Warrants are redeemable, as a whole or in part, as more fully described herein. The Warrants will mature on April 1 in years and principal amounts as set forth on the inside cover.

The Warrants are issuable initially in the denomination of $5,000, or any integral multiple thereof pursuant to a Book-Entry System to be administered by The Depository Trust Company, New York, New York, or any successor or assign thereof or substitute therefor as such securities depository (the "Securities Depository") and, when issued, will be registered in the name of and held by Cede & Co., as nominee. During the period in which the Book-Entry System is in effect for the Warrants, purchases and transfers of ownership of beneficial interests in the Warrants will be evidenced by book-entry only and all payments of principal of, premium (if any) and interest on the Warrants will be made by The Bank of New York Mellon Trust Company, N.A., Birmingham, Alabama, as paying agent, to the Securities Depository for disbursement thereby to the Direct Participants and for subsequent disbursement by the Direct Participants (and, where appropriate, by the Indirect Participants) to the owners of beneficial interests in the Warrants, as more particularly provided in the respective Authorizing Ordinances and described herein.

The scheduled payment of principal of and interest on the Series 2018 Warrants when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2018 Warrants by Build America Mutual Assurance Company.

BAM
BUILD AMERICA MUTUAL

The Warrants are offered when, as and if issued, subject to the approval of the validity thereof by Waldrep Stewart & Kendrick, LLC, Birmingham, Alabama, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the City by Alexander Smith, counsel to the City. It is expected that the Warrants in definitive form will be available for delivery through DTC on or about February 22, 2018.

INTL FCStone®
INTL FCStone Financial Inc.
Member FINRA/SIPC
Broker Dealer Division

February 8, 2018

Series 2018 Warrants

Serial Warrants

Year	Principal Maturing	Interest Rate	Yield	CUSIP	Year	Principal Maturing	Interest Rate	Yield	CUSIP
2018	$475,000	1.50%	1.55%	682682 FR5	2027	$420,000	2.75%	2.92%	682682 GA1
2019	355,000	2.00	1.60	682682 FS3	2028	430,000	2.80	2.99	682682 GB9
2020	355,000	2.00	1.87	682682 FT1	2029	440,000	3.00	3.05	682682 GC7
2021	370,000	1.90	2.11	682682 FU8	2030	455,000	3.00	3.16	682682 GD5
2022	375,000	2.00	2.22	682682 FV6	2031	470,000	3.10	3.19	682682 GE3
2023	380,000	2.30	2.45	682682 FW4	2032	485,000	3.25	3.35	682682 GF0
2024	390,000	2.375	2.52	682682 FX2	2033	500,000	3.25	3.40	682682 GG8
2025	400,000	2.50	2.67	682682 FY0	2034	515,000	3.25	3.44	682682 GH6
2026	410,000	2.70	2.83	682682 FZ7	2035	530,000	3.25	3.49	682682 GJ2

CITY OF ONEONTA

Mayor

Ross Norris

City Council

Richard Phillips
Nathaniel Butler
Hal Blackwood
Tonya Rogers
Danny Robinson

City Clerk/Treasurer

Tammie Noland

City Manager

Ed Lowe

City's Counsel

Alexander Smith
Oneonta, Alabama

UNDERWRITER

INTL FCStone Financial Inc.
Mobile, Alabama

BOND COUNSEL

Waldrep Stewart & Kendrick, LLC
Birmingham, Alabama

THE INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN OBTAINED FROM SOURCES WHICH ARE CONSIDERED DEPENDABLE AND WHICH ARE CUSTOMARILY RELIED UPON IN THE PREPARATION OF SIMILAR OFFICIAL STATEMENTS, BUT SUCH INFORMATION IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS. ALL ESTIMATES AND ASSUMPTIONS CONTAINED HEREIN ARE BELIEVED TO BE RELIABLE BUT NO REPRESENTATION IS MADE THAT SUCH ESTIMATES OR ASSUMPTIONS ARE CORRECT OR WILL BE REALIZED. NO PERSON, INCLUDING ANY BROKER, DEALER OR SALESMAN, HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE CITY. ANY INFORMATION OR EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE AS TO THE AFFAIRS OF THE CITY SINCE THE DATE HEREOF.

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OFFICIAL STATEMENT

Regarding
$7,755,000
General Obligation Warrants, Series 2018
of the
CITY OF ONEONTA, ALABAMA

INTRODUCTION

This Official Statement of the City of Oneonta (the "City"), including the cover page and appendices, is furnished in connection with the offering of the City's $7,755,000 General Obligation Warrants, Series 2018, dated the date of delivery (the "Series 2018 Warrants" or the "Warrants").

The Series 2018 Warrants are issued by the City under the authority of the Constitution and laws of the State of Alabama and pursuant to an ordinance duly adopted by the governing body of the City (the "Authorizing Ordinance"). The Series 2018 Warrants are issued for the purposes of providing funds to (a) construct a new building for use by Wallace State Community College, (b) construct certain road improvements in the City, (c) currently refund the city's General Obligation Warrants, Series 2011A (the "Series 2011A Warrants") and (d) pay all issuance expenses.

The Warrants constitute general obligations of the City for the payment of which the full faith, credit and taxing power of the City are irrevocably pledged. *See* "THE WARRANTS; Security for Series 2018 Warrants; Source of Payment."

The Warrants are initially issued in denominations of $5,000 or any integral multiple thereof pursuant to a book-entry system to be administered by The Depository Trust Company, New York, New York (the "Securities Depository") and registered in the name of and held by Cede & Co., as nominee of the Securities Depository. During the period in which Cede & Co. is the registered owner of the Warrants, purchases and transfers of ownership of beneficial interests in the Warrants will be evidenced by book-entry only and all payments of principal of, premium (if any) and interest on the Warrants will be made by The Bank of New York Mellon Trust Company, N.A., Birmingham, Alabama (the "Paying Agent") to Cede & Co. (as registered owner) for the Securities Depository for disbursement by the Securities Depository to the Direct Participants and for subsequent disbursement by the Direct Participants (and, where appropriate, by the Indirect Participants) to the owners of beneficial interests in the Warrants (the "Beneficial Owners"), as more particularly provided in the respective Authorizing Ordinances and described herein under "BOOK-ENTRY SYSTEM." In the event the Book- Entry System for the Warrants is discontinued, Warrants in certificated form in authorized denominations will be physically distributed to the owners of the beneficial interests in the Warrants, the Warrants will be registered in the names of the owners thereof on the registration books of the Paying Agent pertaining thereto, the Paying Agent shall make payments of principal of, premium (if any) and interest on the Warrants to the registered owners thereof as provided in the Warrants and the respective Authorizing Ordinances, and as described herein under Discontinuation of Book-Entry System," and the provisions of the Warrants and of the respective Authorizing Ordinances with respect to registration, transfer and exchange of Warrants by the registered owners thereof shall apply.

DEFINITIONS

For purposes of this Official Statement the following terms have the following meanings:

Authorized Denominations means the amount of $5,000 and any integral multiple thereof for each maturity.

Authorizing Ordinance means the 2018 Authorizing Ordinance.

Beneficial Owners means the registered owners of beneficial interests in the Warrants.

Book-Entry System means a book-entry only system of evidence of purchase and transfer of beneficial ownership interests in the Warrants.

Business Day means a day, other than a Saturday or a Sunday, on which commercial banking institutions are open for business in the state where the principal corporate office of the Paying Agent is located and a day on which the payment system of the Federal Reserve System is operational.

City means the City of Oneonta, an Alabama municipality, and any successor to its functions.

Direct Participant or Direct Participants means securities brokers and dealers, banks, trust companies, clearing corporations and other financial institutions which have access to the Book-Entry System.

Federal Securities means direct general obligations of, or obligations the payment of which is unconditionally guaranteed by, the United States of America.

Fiscal Year means the period beginning on October 1 of one calendar year and ending on September 30 of the next succeeding calendar year or such other fiscal year as may hereafter be adopted by the City.

Indirect Participant or Indirect Participants means a broker, dealer, bank or other financial institution for which the Securities Depository holds the Warrants as securities depository through a Direct Participant.

Letter of Representation means and includes (i) the Letter of Representation with respect to the Warrants from the City to the Securities Depository; and (ii) any other or subsequent agreement by whatever name or identification with respect to the Warrants between said parties from time to time in effect.

Paying Agent means The Bank of New York Mellon Trust Company, N.A., Birmingham, Alabama, or its successor, as paying agent, depository and registrar for the Warrants.

Qualified Investments means:

(1) Federal Securities;

(2) money market funds customarily utilized by the Paying Agent for the investment of public funds and invested solely in Federal Securities; or

(3) A certificate of deposit or time deposit issued by (i) the Paying Agent or (ii) any other bank organized under the laws of the United States of America or any state thereof with capital, surplus and undivided profits of not less than $50,000,000, provided in each case such deposit is insured by the Federal Deposit Insurance Corporation or such deposit is collaterally secured by the issuing bank by pledging Federal Securities having a market value (exclusive of accrued interest) not less than the face amount of such certificate less the amount of such deposit insured by the Federal Deposit Insurance Corporation.

Record Date means, with respect to the Warrants, that date which is 15 calendar days before any date on which interest is due and payable on such Warrants.

Securities Depository means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and the successors and assigns thereof, and any substitute securities depository therefore that maintains a Book-Entry System for the Warrants.

Securities Depository Nominee means the Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the Warrant Register the Warrants to be delivered to such Securities Depository during the period in which the Warrants are held pursuant to the Book-Entry System.

Series 2011A Warrants means the City's General Obligation Warrants, Series 2011A, now outstanding in the aggregate principal amount of $3,435,000.

Series 2018 Warrant Fund means the fund by that name established for the Series 2018 Warrants pursuant to the 2018 Authorizing Ordinance.

Series 2018 Warrants means the General Obligation Warrants, Series 2018, dated the date of delivery.

Underwriter means INTL FCStone Financial Inc., Mobile, Alabama.

Warrant Register or Warrant Registrar means the register for the registration and transfer of Warrants maintained by the Paying Agent for the City under the respective Authorizing Ordinances.

Warrants means the Series 2018 Warrants.

2018 Authorizing Ordinance means the ordinance adopted by the governing body of the City on January 23, 2018 authorizing the issuance of the Series 2018 Warrants.

RATINGS

S&P Global Ratings ("S&P"), is expected to assign a rating to the Series 2018 Warrants as indicated on the cover page based upon the understanding that, upon delivery of the Series 2018 Warrants, a municipal bond insurance policy insuring the payment when due of the principal of and interest on the Series 2018 Warrants will be issued by Build America Mutual Assurance Company (the "Insurer"). The financial strength of the Insurer depends on its financial condition and claims paying ability, which may change from time to time.

The first part of the ratings on the Series 2018 Warrants as indicated on the cover page reflects the respective rating agency's current assessment of the creditworthiness of the Bond Insurer and its ability to pay claims on its policies of insurance. S&P has assigned underlying ratings to the Series 2018 Warrants (as shown in parentheses on the cover page), which reflect S&P's current assessment of the creditworthiness of the City with respect to general obligations of the City. Any further explanation of the significance of such ratings may be obtained only from the respective rating agency. The City furnished to each rating agency the information contained in this Official Statement and certain other information respecting the City and the Series 2018 Warrants. Generally, rating agencies base their underlying ratings on such materials and information, as well as on their own investigations, studies and assumptions.

The above ratings are not recommendations to buy, sell or hold the Series 2018 Warrants, and any such ratings may be subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of any or all of such ratings may have an adverse effect on the market price of the affected Series 2018 Warrants. Neither the City nor the Underwriter has undertaken any responsibility either to bring to the attention of the holders of the Series 2018 Warrants any proposed revision, suspension or withdrawal of a rating or to oppose any such revision, suspension or withdrawal.

THE WARRANTS

General Description

The Series 2018 Warrants are dated the date of delivery, will bear interest from that date at the applicable rates as set forth on the inside cover page hereof, and will mature on April 1 in years and principal amounts as set forth on the inside cover page of this Official Statement. Interest will be payable on April 1 and October 1 in each year, first interest payable on April 1, 2018. The principal of and premium (if any) on the

Series 2018 Warrants shall be payable only upon presentation and surrender of the Series 2018 Warrants at the designated office of the Paying Agent in Birmingham, Alabama.

Authority for Issuance

The Series 2018 Warrants are issued by the City under authority of the Constitution and laws of the State of Alabama, including particularly Section 11-47-2 and 16-19-3 of the CODE OF ALABAMA 1975, as amended, and pursuant to the 2018 Authorizing Ordinance.

Optional Redemption Prior to Maturity

The Series 2018 Warrants with stated maturities on April 1, 2022 and thereafter shall be subject to redemption, in whole or in $5,000 multiples, in such order and amount of maturities as the City shall determine prior to their stated maturities, at the option of the City on any date on or after April 1, 2021 at the redemption price of par plus accrued interest to the date fixed for redemption, without premium or penalty.

Notice; Selection

Any redemption shall be made in the manner, upon the notice, and on the terms and conditions provided in the 2018 Authorizing Ordinance. If less than all of the Series 2018 Warrants are to be redeemed during a period in which the Book-Entry System is in effect for the Series 2018 Warrants, the City shall designate the order and amount of maturities of the Series 2018 Warrants (or portions thereof) to be redeemed not less than 45 nor more than 60 days prior to the redemption date and, in accordance with the Letter of Representation and the procedures of the Book-Entry System, the Securities Depository may determine the amount of the interest of each Direct Participant in those of such Series 2018 Warrants to be redeemed, on the basis of the smallest Authorized Denomination of such Series 2018 Warrants, by lot or by such other method as the Securities Depository shall deem fair and appropriate. If less than all the Series 2018 Warrants are to be redeemed during a period in which the Book-Entry System is not in effect for the Series 2018 Warrants, the City shall designate the order and amount of maturities of the Series 2018 Warrants (or portions thereof) to be redeemed not less than 45 nor more than 60 days prior to the redemption date on the basis of the smallest Authorized Denomination of such Series 2018 Warrants, and the Paying Agent shall select, by lot or by such method as the Paying Agent shall deem fair and appropriate, the order and amount of the Series 2018 Warrants to be redeemed. The City and the Paying Agent shall so select such Series 2018 Warrants for redemption in such manner so as to assure that after such redemption no Holder shall retain Series 2018 Warrants in an aggregate amount less than an Authorized Denomination.

Series 2018 Warrants (or portions thereof) for the redemption and payment of which provision has been made and notice thereof given all in accordance with the 2018 Authorizing Ordinance shall thereupon cease to be entitled to the benefits of the 2018 Authorizing Ordinance and shall cease to bear interest from and after the date fixed for redemption unless default be made in the payment of the redemption price.

Security for Series 2018 Warrants; Source of Payment

The Series 2018 Warrants are general obligations of the City for the payment of which the full faith, credit and taxing powers of the City are irrevocably pledged.

An investment in the Series 2018 Warrants involves certain risks. *See* "WARRANTHOLDERS' RISK FACTORS."

Estimated Sources and Uses of Series 2018 Warrant Proceeds

The proceeds to be derived from the sale of the Series 2018 Warrants will be used by the City as set forth below:

Sources	
Par Amount	$7,755,000.00
TOTAL SOURCES	$7,755,000.00
Uses	
Capital Improvements	$4,000,000.00
Refunding of Series 2011A Warrants	3,483,488.75
Original Issue Discount	86,487.45
Costs of Issuance (Including Underwriter's Discount, Legal and Bond Insurance	185,023.80
TOTAL USES	$7,755,000.00

BOND INSURANCE

BOND INSURANCE POLICY

Concurrently with the issuance of the Series 2018 Warrants, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Series 2018 Warrants (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM. The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com. BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its

ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Series 2018 Warrants, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Series 2018 Warrants. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Series 2018 Warrants on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Series 2018 Warrants, nor does it guarantee that the rating on the Series 2018 Warrants will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of December 31, 2017 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $515 million, $87.7 million and $427.3 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Series 2018 Warrants or the advisability of investing in the Series 2018 Warrants. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at buildamerica.com/creditinsights/. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at buildamerica.com/obligor/. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Series 2018 Warrants, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Series 2018 Warrants. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Series 2018 Warrants, whether at the initial offering or otherwise.

THE PLAN OF FINANCING AND REFINANCING

The Series 2018 Warrants are being issued for the purpose of (i) financing a portion of a new building for Wallace State Community College, as well as constructing certain road improvements in the City and (ii) paying the costs of issuing the Series 2018 Warrants.

In order to provide for the refunding of the Series 2011A Warrants, the City will deposit with the paying agent for the 2011A Warrants (the "2011 Paying Agent"), sufficient funds without investment to pay the remaining debt service requirements on the Series 2011A Warrants until and including April 1, 2018, when all remaining Series 2011A Warrants will be called for redemption.

FINANCIAL INFORMATION

Outstanding Indebtedness

After the issuance of the Warrants, the City will have outstanding the following long-term obligations:

Name	Purpose	Outstanding Principal
General Obligation Warrants, Series 2018	Schools, Roads, Refunding	$ 7,755,000
General Obligation Warrants, Series 2012	Schools	3,975,000
General Obligation Warrants, Series 2005	Schools, General	625,000
Total		$12,355,000

Overlapping Debt

Blount County, of which the City is the County seat, currently has outstanding $4,869,846 of its General Obligation Warrants, Series 2017. Based on assessed values for the tax year 2017, approximately 17.66 % of such debt (viz. $860,015) is allocable to the City.

SUMMARY OF 2018 AUTHORIZING ORDINANCE

The following, together with information contained elsewhere in this Official Statement, is a brief description of the 2018 Authorizing Ordinance. Such description does not purport to be comprehensive or definitive; all references herein to the 2018 Authorizing Ordinance are qualified in their entirety by reference to such document, copies of which are available at the office of the City Clerk; and all references to the 2018 Warrants are qualified in their entirety by reference to the definitive forms thereof and the information with respect thereto included in the 2018 Authorizing Ordinance.

Series 2018 Warrant Fund

For the purpose of providing for the payment of the Series 2018 Warrants, the City has created a special fund designated the "Series 2018 General Obligation Warrant Fund" (the "Series 2018 Warrant Fund"), which shall be held in trust by the Paying Agent and shall be continued until the Series 2018 Warrants shall have been paid in full or provision for such payment duly made as set forth hereinafter.

(1) on or before March 25, 2018, an amount equal to the principal and interest on the Series 2018 Warrants becoming due with respect to the then outstanding Warrants on April 1, 2018;

(2) on or before April 25, 2018 and on or before each the 25th day of the month thereafter, an amount equal to one sixth (1/6) of the principal amount of Series 2018 Warrants becoming due with respect to the then outstanding Warrants on each April 1 and October 1;

(3) on or before April 25, 2018 and on or before each the 25th day of the month thereafter, an amount equal to one twelfth (1/12) of the principal amount of Warrants maturing or subject to mandatory redemption on the next succeeding Principal Payment Date.

The moneys so paid into the Series 2018 Warrant Fund shall be used solely for payment of the principal of, premium, if any, and interest on the Series 2018 Warrants as the same mature and come due. All amounts deposited in the Series 2018 Warrant Fund shall be applied to the payment of principal of and interest on the Series 2018 Warrants within thirteen (13) months from the date of such deposit, and all amounts received from the investment of moneys in said Fund shall be applied to the payment of principal of and interest on the Series 2018 Warrants within twelve (12) months from the date of receipt of such investment income.

Investment of and Security for Series 2018 Warrant Fund

The City may cause any money on deposit in the Series 2018 Warrant Fund, not then needed for the payment of principal of, premium, if any, or interest on the Series 2018 Warrants to be invested or reinvested by the Paying Agent, to the extent then permitted by law as a proper investment of funds of the City in Qualified Investments. All such investments must mature or be subject to redemption at the option of the holder on or prior to the respective date or dates when cash funds will be required. All income and all profits realized on the investment of moneys in the Series 2018 Warrant Fund shall be and remain a part of such Fund, and any losses resulting from liquidation of such investments shall be charged to the Series 2018 Warrant Fund.

The Paying Agent shall at all times keep the moneys on deposit with it in said Fund continuously secured for the benefit of the City and the registered owners of the Series 2018 Warrants either (a) by holding on deposit as collateral security Federal Securities having a market value (exclusive of accrued interest) not less than the amount of moneys on deposit in said Fund or (b) if the furnishing of security in the manner provided in the foregoing clause (a) is not permitted by the then applicable laws and regulations, then in such manner as may be required or permitted by the applicable State and Federal laws and regulations respecting the security for or granting a preference in the case of the deposit of public trust funds; provided, however, that it shall not be necessary for the Paying Agent so to secure any portion of the moneys on deposit in such Fund that may be insured by the Federal Deposit Insurance Corporation or by any agency of the United States of America that may succeed to its functions or any portion of the moneys on deposit that may be invested as provided above.

Provision for Payment of Series 2018 Warrants

The Series 2018 Warrants shall be deemed fully paid if the City shall have filed with the Paying Agent a fully executed copy of an irrevocable trust agreement between the City and a banking institution with a designated office in the State of Alabama making provision for the retirement of the Series 2018 Warrants then outstanding, which trust agreement shall create a trust fund which shall consist of (a) Federal Securities which, if the principal thereof and the interest thereon are paid at their respective maturities, will produce funds sufficient so to provide for payment and retirement of all outstanding Series 2018 Warrants;

(b) both cash and Federal Securities of the type described in the preceding clause (a), which together will produce funds sufficient for such purpose; or (c) cash sufficient for such purpose.

Authorizing Ordinance a Contract

The terms, conditions and provisions set forth in the 2018 Authorizing Ordinance shall constitute a contract between the registered owners from time to time of the Series 2018 Warrants and the City, and shall remain in effect until the principal of, premium, if any, and interest on the Series 2018 Warrants shall have been paid in full, or until payment shall have been provided as hereinbefore set forth.

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AGGREGATE DEBT SERVICES REQUIREMENTS [1]

FY	Series 2018 Principal	Series 2018 Interest	Series 2005	Series 2012	Total
2018	475,000.00	22,307.19	50,917.50	292,338.76	840,563.45
2019	355,000.00	198,787.50	49,955.00	288,638.76	892,381.26
2020	355,000.00	191,687.50	48,980.00	289,983.76	885,651.26
2021	370,000.00	184,587.50	47,980.00	291,106.88	893,674.38
2022	375,000.00	177,557.50	51,880.00	286,841.25	891,278.75
2023	380,000.00	170,057.50	50,680.00	287,247.50	887,985.00
2024	390,000.00	161,317.50	49,457.50	292,222.50	892,997.50
2025	400,000.00	152,055.00	48,212.50	286,867.50	887,135.00
2026	410,000.00	142,055.00	51,863.75	286,235.00	890,153.75
2027	420,000.00	130,985.00	50,393.75	285,252.50	886,631.25
2028	430,000.00	119,435.00	48,906.25	288,837.50	887,178.75
2029	440,000.00	107,395.00	47,401.25	287,036.25	881,832.50
2030	455,000.00	94,195.00	50,770.00	284,970.00	884,935.00
2031	470,000.00	80,545.00	49,020.00	287,495.00	887,060.00
2032	485,000.00	65,975.00	52,150.00	284,540.00	887,665.00
2033	500,000.00	50,212.50	50,170.00	276,188.75	876,571.25
2034	515,000.00	33,962.50	48,190.00	267,646.25	864,798.75
2035	530,000.00	17,225.00	51,100.00	254,187.50	852,512.50
Total	7,755,000.00	2,100,342.19	898,027.50	5,117,635.66	15,871,005.35

[1] Does not include capital leases

CITY OF ONEONTA, ALABAMA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

	2013	2014	2015	2016
Revenues				
Taxes	$4,837,012	$5,145,739	$5,366,594	$5,591,954
Licenses and permits	927,531	928,736	995,892	1,038,703
Intergovernmental	216,115	550,117	587,623	703,007
Fines	343,013	342,477	318,352	349,025
Sanitation Collection Fees	372,106	369,714	363,396	360,602
Other Revenues	410,006	234,792	221,489	101,017
Parks and Recreation	190,097	142,163	132,241	149,611
Interest			22,499	20,022
Total Revenues	$7,295,880	$ 7,713,738	$8,008,087	$8,313,941
Expenditures				
General Government	$1,066,622	$1,226,328	$1,280,401	$1,502,292
Program on Aging	50,708	58,250	43,478	64,496
Court	431,188	485,457	395,193	406,530
Streets and Infrastructure	710,018	728,473	851,169	844,028
Inspections and Permits	217,361	193,831	127,763	159,630
Sanitation and Sewer	286,570	286,570	288,658	243,543
Police and Fire	2,401,531	2,512,957	2,629,606	2,897,170
Library	238,458	269,989	269,646	281,938
Parks and Recreation	474,937	386,929	477,567	692,477
Capital Outlay	161,504	649,413	381,732	991,495
Appropriations	126,529	123,666	793,305	254,560
Principal	5,548,753	436,469	45,469	85,136
Interest and Fees	462,137	170,321	15,970	36,710
Total Expenditures	$12,227,694	$7,528,653	$7,599,957	$8,460,005
Excess of Revenues Over (Under) Expenditures	($4,931,814)	$ 185,085	$ 408,130	($146,064)
Other Financing Sources (Uses)				
Proceeds of Debt Issuance	5,438,497			200,000
Proceeds - Capital Lease				
Proceeds - Capital Assets Sale				
Transfer to Other Funds	(345,430)	(341,360)	(838,914)	(897,416)
Transfers to Component Units				
Transfers from Component Units	359,813	347,095		
Transfers From Other Funds	2,219		335,500	423,161
Total Other Financing Sources	523,285	5,735	(503,414)	(274,255)
Net Change in Fund Balances				
Fund Balance, Beginning	1,633,915	2,157,200	2,348,020	2,479,142
Fund Balances - End of Year	$2,157,200	$2,348,020	$2,252,736	$2,058,823

Constitutional Debt Limitation

The Constitution of Alabama provides that municipalities having a population of more than 6,000 may not become indebted in an amount in excess of twenty percent (20%) of the assessed value of the property situated thereon, but the exclusion from the debt limit includes certain classifications of debt such as schools, waterworks and sewers. The City, since its population is over 6,000, is subject to this debt limit calculation. Further, under existing law, the amount of any indebtedness chargeable against the constitutional debt limit is reduced by the amount of any escrow or sinking fund held or invested in direct obligations of the United States of America for the payment of such indebtedness. The net assessed value of the property in the City as assessed for City taxation for the tax year which ended September 30, 2017 was $94,886,340. Consequently, the constitutional debt limitation applicable to the City for the fiscal year ended September 30, 2017 would be not less than $18,977,268.

The outstanding long term general obligation debt of the City after the issuance of the Series 2018 Warrants will be $12,355,000. The Series 2012 Warrants were issued for public school purposes and are therefore exempt from the City's constitutional debt limit. A portion of the Series 2018 Warrants in the principal amount of $3,425,000 will be used for school purposes and thus are exempt from the City's constitutional debt limit. Furthermore, not less than 15% of the City's Series 2011-A Warrant proceeds were used for public school purposes and therefore, a portion of the principal amount (approximately $542,000) of the Series 2018 Warrants allocated to the refunding of such Series 2011-A Warrants are exempt from constitutional debt limit requirements. Of the City's aggregate debt, $8,567,000 is exempt from the constitutional debt limit and $3,793,000 is chargeable against the constitutional debt limit. This leaves a total debt margin of $15,184,268. The constitutional debt capacity of the City will increase or decrease with any increase or decrease in the assessed value of taxable property in the City, and as shown hereinafter, there have been variations in those values.

Financial Summary

City's Net Assessed Value (October 1, 2017)	$ 94,886,340
Total G.O. Debt	$ 12,355,000
G.O. Debt Chargeable to Debt Limit	$ 3,793,000
Applicable Debt Limit (20% of Assessed Value)	$ 18,977,268
Debt Margin	$ 15,184,268
Ratio of Total G.O. Debt to Assessed Valuation	13.02%
2010 Population of City	6,785
Total G.O. Debt Per Capita	$ 1,821

*Does not include certain lease obligations and other customary obligations which do not exceed $500,000.

Primary Sources of Revenues

The City levies the following taxes which are major sources of income for the General Fund:

Sales and Use Taxes. The City levies the Taxes at the rate of 3% within its corporate limits (that rate being the basic rate, with certain transactions being taxed at lower rates). The Taxes are collected by the City. The amounts received by the City from the Taxes for prior fiscal years is shown hereinabove under "Description of Taxes."

Business License Tax. Under general authority granted to cities and towns in Alabama by the Legislature, the City levies privilege license taxes on the privilege of engaging in certain business and professions within the

corporate limits of the City. Most license taxes are computed as a stated amount plus a percentage of gross receipts based on a graduated scale. The privilege license taxes are collected by the City.

The following table shows receipts from business licenses received by the City for the fiscal years indicated:

Fiscal Year	Total Collections
2016	$963,131
2015	971,589
2014	877,794
2013	794,432
2012	747,016
2011	825,310

Ad Valorem Tax. The receipts from the City's general fund ad valorem tax were, for the fiscal years indicated, as follows:

Fiscal Year	Total Collections
2016	$401,921
2015	395,528
2014	421,255
2013	399,618
2012	388,630
2011	335,621

Assessed Valuation. According to information furnished by Blount County Revenue Commissioner's office, the assessed value of taxable properties (including motor vehicles) located within the corporate limits of the City for the fiscal years indicated was as follows:

Fiscal Year	Total Value
2017	$94,886,340
2016	93,863,180
2015	90,553,680

Source: Revenue Commissioner of Blount County

Millage Rates on Taxable Property in the City. Pursuant to the applicable provisions of the Constitution of Alabama and general laws ofthe State, the City levies ad valorem taxes of 6.0 mills.

The following taxes are levied on property situated in the City, but are levied by other taxing authorities:

State of Alabama	6.5 mills
Blount County	14.0 mills
County School District	6.0 mills
County Hospital	2.0 mills
City School District	10.5 mills

There are, therefore, 45.0 mills currently being levied on taxable property situated in the City.

The Constitution of Alabama of 1901 provides that the total ad valorem taxes levied with respect to any property (whether by state, county or local governments) may not exceed 1-112% of the fair and reasonable market value (as distinguished from assessed value) of such property in any one year. The total ad valorem taxes levied with respect to property situated in the City do not now exceed that limitation.

Ad valorem taxes levied by the City are collected on behalf of the City by the Blount County Revenue Commissioner, estimates that not less than 98% of all ad valorem taxes levied in the City in recent years have in fact been collected. Ad valorem taxes levied are delinquent on January 1 and property is sold for taxes on the following October 1. Taxes are collected at less than 100% due to contested and erroneous levies. A charge for assessment and collection equal to approximately 4% of the amount levied (2-112% in the case of motor vehicles) is withheld by the Revenue Commissioner prior to the remittance to the City.

Top Five Ad Valorem Taxpayers in 2017. The top five ad valorem taxpayers in the City and the total amount of all ad valorem taxes (State, City and County) paid were as follows for the fiscal year ended September 30, 2017:

	Assessed Value	Total Taxes Paid
Alabama Power	$2,698,940	$118,955
OTELCO	2,119,860	82,689
Walmart	1,800,960	81,043
Warrior Properties	809,120	36,439
GPH Oneonta	743,840	33,473
The Hometown Bank	634,020	28,531
McCay's Landing	468,200	21,132
BB&G, LLC	469,120	21,440
Turley Properties	433,900	19,526
Oneonta Apartments	383,200	17,244

Source: Blount County Revenue Commissioner

CERTAIN GENERAL INFORMATION RESPECTING THE CITY

General

The City, county seat of Blount County, 1s located approximately 30 miles northeast of Birmingham.

The City was incorporated in 1891. There is rich farmland in the surrounding area. Historically, textile operations in the City provided the basis for a large part of the City's economic growth. The textile industry has largely ceased production of goods in the southeastern United States as most operations have moved overseas. The City is the commercial center of Blount County.

Government

The City is governed by a Council consisting of the mayor and five councilmen elected at large, with all serving concurrent four year terms. The mayor is responsible for the day-to-day operations and is the presiding officer of the Council. The Mayor has a vote on the Council, and has the power of veto, which may be overridden.

The City employs persons in such capacities as firemen, policemen, administrative, park and recreation, and department supervisors. See Note 7 of the Financial Statement attached hereto as Appendix B for a description of the City's Pension Plan.

The City's officers consist of the following:

Name	Term Expires
Ross Norris, Mayor	October, 2020
Hal C. Blackwood, Councilmember	October, 2020
Richard Phillips, Councilmember	October, 2020
Tonya Rogers, Councilmember	October, 2020
Nathaniel Butler, Councilmember	October, 2020
Danny Robinson, Councilmember	October, 2020

Education- Primary and Secondary

The Oneonta City School System consists of grades K-12 all located in one facility constructed in 1978 and expanded and renovated in prior years. The school is accredited by the State of Alabama and the Southern Association of Schools and Colleges.

The Oneonta /school system offers advanced or honor classes for gifted students, special education classes for retarded students and special programs for the physically handicapped.

Responsibility for the management and operation of the City's school system is vested in the City Board of Education. Financing of capital improvements for schools in the City has historically been accomplished through long-term debt of the City, although the City Board of Education has also borrowed for school improvements, and has contributed toward the City debt through various Funding Agreements.

The 2000 Census reports that 67.0% of the residents in the City were high school graduates and 14.3% of such residents were college graduates. State averages were 70.6% and 16.2%, respectively.

The 2010 Census reports that 73.9% of the residents in the City were high school graduates and 19.2% of such residents were college graduates. State averages were 80.8% and 21.5%, respectively.

Population

Census Year	Oneonta	Blount County
2016 (est)	6,645	57,704
2010	6,785	57,322
2000	5,576	51,024
1990	4,844	39,248
1980	4,824	36,459
1970	4,390	26,853
1960	4,136	25,449
1950	2,802	28,975

Source: U.S. Census Bureau; 2016 figure from www.guickfacts.census.gov

Ad Valorem Taxation- General

The Constitution of Alabama of 1901 provides for the levy and collection of ad valorem taxes in Alabama and establishes the ratios at which property may be assessed, the millage rates that may be levied on property, and the amount of ad valorem taxes that may be collected in any year. Because of changes that could be made by

the Alabama Legislature or pursuant to constitutional amendment, and because the City could, under certain circumstances, vary the assessment ratios of property in the City and/or the millage rates with respect thereto, future collections of ad valorem taxes in the City cannot be predicted with certainty.

Limitation on Rate of Taxes

Under applicable judicial precedents, no tax levied **in** the City may be levied at rates that are confiscatory or "unreasonable."

Employment Information

Comparative rates of unemployment in Blount County have been as follows:

Year	Blount County	State
2017	3.0 %	3.5 %
2016	5.5	6.3
2015	5.4	6.1
2014	6.1	6.1
2013	6.3	7.2

Source: Alabama Department of Industrial Relations

Largest Employers in the City and the County

Company	Product	Estimated Employees
Blount County Board of Education	Education	900
Tyson Foods Inc.[1]	Chicken processor	650
Walmart Supercenter	Discount department store	250
St. Vincent's Blount	Hospital	220
Blount County Commission	County government	221
TLC Nursing Home	Nursing Home	146
Oneonta City Schools	Education	140
Golden Living Center	Nursing home	120
OTELCO	Utility	84
Snead Ag Supplies, A&M Sales	Agricultural Supplies and Sales	82
Hydra Service	Industrial pump distribution	80
Art Iron Works	Metal Fabricators	74
City of Oneonta	Municipal government	60
Louis Allis	Electric Motor Manufacturing	62
HomeTown Bank	Banking	55
Emerson Fabrication Group	Metal Fabricators	50
MasseyHauling	Trucking	48
Self, Maples & Copeland, P.C.	Accounting	45
Alabama Power	Utility	42

Source: Blount-Oneonta Chamber of Commerce (www.blountoneontachamber.com)

Transportation

Oneonta is served by U. S. Highway 231 and State Highways 75 and 132. Scheduled airline service is available in Birmingham and there is an airport in the City with a 4,210-foot unlighted runway.

Health Care

St. Vincent's Blount is located in the City. The facility, one of the newest in the State, is managed by Ascension Health, the nation's largest Catholic and non-profit health system. The Hospital has 40 licensed beds and an adjacent Professional Office Building utilized by approximately 26 physicians representing 12 areas of medical specialization.

Utilities

The City's Utilities Board owns the natural gas system, the water system and the sanitary sewer system in the City. Electricity is provided to the residents of the City by Alabama Power Company, a subsidiary of the Southern Company, which is an investor owned electric utility holding company. Alabama Power Company's rates are regulated by the Alabama Public Service Commission.

Income Levels

Per Capita Income levels in the City and State have been as follows for the periods indicated:

Year	City	State
2016	$22,592	$24,736
2010	18,951	22,984
2009	19,059	22,732
1999	16,166	18,189
1989	11,909	11,486
1979	5,601	5,894

Source: U.S. Census Bureau; 2016 figures from www.factfinder.census.gov

Median Family Income levels in the City and State have been as follows for the periods indicated:

Year	City	State
2016	$46,750	$56,828
2010	50,236	52,863
2009	57,075	51,989
1999	24,937	28,688
1989	16,166	18,189

Source: U.S. Census Bureau; 2016 figures from www.factfinder.census.gov

Housing

The 2000 Census reports that the median value of owner-occupied housing in the City was $83,000. The State average was $85,100.

The 2010 Census reports that the median value of owner-occupied housing in the City was $119,600. The State average was $111,900.

BOOK-ENTRY SYSTEM

The Depository Trust Company, New York, New York, will serve as initial securities depository under a book-entry system for the Warrants with no physical distribution of Warrants made to any owner of any Warrant or Warrants. The ownership of one fully registered Warrant for each maturity will be registered in the name of Cede & Co., as initial nominee for the Securities Depository (the "Securities Depository Nominee"). Except as provided below, so long as Cede & Co. is the registered owner of the Warrants, as nominee for the Securities Depository, references in this Official Statement to the holders, owners or registered owners of the Warrants shall mean Cede & Co. and shall not mean the Beneficial Owners of the Warrants.

The Securities Depository is a limited-purpose trust company organized under the New York Banking Law, a "banking corporation" 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, as amended. The Securities Depository was created to hold securities of its participants (the "Direct Participants") and to facilitate the clearance and settlement of securities transactions, such as transfers and pledges, among Direct Participants in such securities through electronic computerized book-entry changes in accounts of the Direct Participants, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. The Securities Depository is owned by a number of Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the Securities Depository system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). The rules applicable to the Securities Depository and the Direct Participants are on file with the Securities and Exchange Commission.

Beneficial ownership interests in the Warrants must be purchased by or through Direct Participants. The holders of these beneficial ownership interests are herein referred to as the "Beneficial Owners." Such "Direct Participants and the persons for whom they acquire interests in the Warrants as nominees will not receive a Warrant certificate, but each Direct Participant will receive a credit balance in the records of the Securities Depository in the amount of such Direct Participant's interest in the Warrants, which will be confirmed in accordance with the Securities Depository's standard procedures. Beneficial Owners of Warrants will not receive certificates representing their beneficial ownership interests in the Warrants, unless use of the book-entry system is discontinued as described below. Beneficial Owners will be treated in all respects as the owners of the Warrants.

Transfers of beneficial interests in the Warrants which are registered in the name of Cede & Co., as nominee of the Securities Depository, will be accomplished by book-entries made by the Securities Depository and in turn by the Direct Participants and Indirect Participants who act on behalf of the Beneficial Owners of the Warrants. For every transfer and exchange of beneficial ownership in the Warrants, the Beneficial Owners may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto. The deposit of Warrants with the Securities Depository and their registration in the name of the Securities Depository Nominee effect no change in beneficial ownership. The Securities Depository has no knowledge of the actual Beneficial Owners of the Warrants; the Securities Depository's records reflect only the identity of the Direct Participants to whose accounts such Warrants are credited, which may or may not be the Beneficial Owners. The Direct Participants will remain responsible for keeping account of their holdings on behalf of their customers as Beneficial Owners.

For so long as the Warrants are registered in the name of the Securities Depository or the Securities Depository Nominee, the City and the Paying Agent will recognize only the Securities Depository or its nominee, Cede & Co., as the owner of the Warrants for all purposes, including without limitation: (1) payment of principal, premium (if any) and interest on the Warrants, (2) giving of notice of matters with respect to the Warrants, and (3) registering transfers with respect to the Warrants.

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

Neither the Securities Depository nor the Securities Depository Nominee will consent or vote with respect to the Warrants. Under its usual procedures, the Securities Depository mails an Omnibus Proxy to the City, as soon as possible after the record date. The Omnibus Proxy assigns the Securities Depository Nominee's consent or voting rights to those Direct Participants to whose accounts the Warrants are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Warrants will be made by the City or the Paying Agent to the Securities Depository or the Securities Depository Nominee as registered owner of the Warrants. Disbursement of such payments to the Beneficial Owners will be solely the responsibility of the Direct Participants and, where appropriate, Indirect Participants. Upon receipt of moneys, the Securities Depository's current practice is to credit immediately the accounts of the Direct Participants in accordance with their respective holdings shown on the records of the Securities Depository. Payments by Direct Participants and Indirect Participants to Beneficial Owners will be governed by standing instructions of the Beneficial Owners and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name." Such payments will be the sole responsibility of the Direct Participant or Indirect Participant and not of the City or the Paying Agent, subject to any statutory and regulatory requirements as may be in effect from time to time.

The City and the Underwriter cannot and do not give any assurances that the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Warrants (1) payments of principal or interest on the Warrants, (2) certificates representing an ownership interest or other confirmation of Beneficial Ownership interests in Warrants, or (3) notices sent to the Securities Depository or the Securities Depository Nominee as the registered owner of the Warrants, or that they will do so on a timely basis or that the Securities Depository, the Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement. All such payments to the Securities Depository or the Securities Depository Nominee of principal and interest on behalf of the City and the Paying Agent shall be valid and effectual to satisfy and discharge the liability of the City and the Paying Agent to the extent of the amounts so paid, and the City and the Paying Agent shall not be responsible or liable for payment to any Beneficial Owner by the Securities Depository or any Direct Participant or any Indirect Participant. The current "rules" applicable to the Securities Depository are on file with The Securities and Exchange Commission, and the current "procedures" of the Securities Depository to be followed in dealing with Direct Participants are on file with the Securities Depository.

The City and the Paying Agent will not have any responsibility or obligation to any Direct Participant, Indirect Participant or any Beneficial Owner or any other person with respect to (1) the Warrants; the accuracy of any records maintained by the Securities Depository or any Direct Participant or Indirect Participant; (3) the payment by the Securities Depository, any Direct Participant or Indirect Participant, of any amount due to any Beneficial Owner in respect of the principal or interest on the Warrants; (4) the delivery or timeliness of delivery by the Securities Depository, any Direct Participant or Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Authorizing Ordinance to be given to Beneficial Owners;

or (5) any consent given or other action taken by the Securities Depository or the Securities Depository Nominee as owner.

In the event that the Securities Depository determines not to continue to act as securities depository for the Warrants, the City shall discontinue the book-entry system with the Securities Depository. If the City appoints another securities depository to administer the Book-Entry System, the rules and procedures of such securities depository may differ from those described herein. If the City fails to identify another qualified securities depository to replace the Securities Depository, the City will cause the Paying Agent to authenticate and deliver fully registered Warrants to each Beneficial Owner. See "Discontinuation of Book-Entry System" hereinafter.

In Release No. 34-47978; File No. SR-DTC-2003-02, the SEC approved DTC's Rule change clarifying that only DTC Participants with a position in that issue can request withdrawal of those securities from DTC. Issuers have no legal or beneficial interest in securities held by Participants at DTC and therefore issuers, such as the City, have no basis to request the withdrawal of those securities.

In the event of an insolvency of the Securities Depository, if the Securities Depository has insufficient securities in its custody (e.g., due to theft or loss) to satisfy the claims of its Direct Participants or Indirect Participants with respect to deposited securities and is unable by application of (i) cash deposits and securities pledged to the Securities Depository to protect the Securities Depository against losses and liabilities; (ii) the proceeds of insurance maintained by the Securities Depository and/or its Direct Participants or Indirect Participants or (iii) other resources, to obtain securities necessary to eliminate the insufficiency, no assurances can be given that Direct Participants or Indirect Participants will be able to obtain all of their deposited securities.

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

During a period in which the Book-Entry System is in effect for the Warrants, the provisions of the respective Authorizing Ordinances and such Warrants shall be construed in accordance with the Letter of Representation and to give full effect to such Book-Entry System.

Discontinuation of Book-Entry System

The Securities Depository may determine to discontinue providing book-entry service with respect to the Warrants at any time upon notice to the City and the Paying Agent and upon discharge of its responsibilities with respect thereto under applicable law. Upon such notice the book-entry system for the Warrants will be discontinued unless a successor securities depository is appointed by the City.

In the event the book-entry system for the Warrants is discontinued, Warrants in certificated form in authorized denominations will be physically distributed to the owners of beneficial interests in the Warrants, the Warrants will be registered in the names of the owners thereof on the registration books of the Paying Agent pertaining thereto, the Paying Agent shall make payments of principal of, premium (if any) and interest on the Warrants to the registered owners thereof as provided in the Warrants and the respective Authorizing Ordinances, and the following provisions with respect to registration, transfer and exchange of the Warrants by the registered owners thereof shall apply:

(a) The Warrants may be transferred by the registered owner in person or by authorized attorney, only on the books of the Paying Agent and only upon surrender of the Warrant to the Paying Agent for cancellation with a written instrument of transfer acceptable to the Paying Agent executed by the registered owner or his duly authorized attorney, and upon any such transfer, a new Warrant of like tenor shall be issued to the transferee in exchange thereof.

(b) The registered owner of any Warrant in a face amount of more than $5,000 may surrender the same in exchange for more than one Warrant, each in the principal amount which is an integral multiple of $5,000, having the same year of maturity as the Warrant so surrendered, and the same aggregate principal amount. The registered owner of two or more Warrants having the same principal maturity may surrender the same in exchange for a single Warrant in the aggregate principal amount of the Warrants so surrendered. No exchange referred to in this paragraph shall ever result in any Warrant having principal maturing in more than one year.

(c) The Paying Agent shall not be required to transfer or exchange any Warrant during the period of fifteen (15) days next preceding any interest payment date, and in the event that any Warrant (or any part thereof) is duly called for redemption, the Paying Agent shall not be required to register or transfer any such Warrant during the period of forty-five (45) days next preceding the date fixed for redemption. No charge shall be made for the privilege of transfer, but the registered owner of any Warrant requesting any such transfer shall pay any tax or other governmental charge required to be paid with respect thereto. The registered owner of any Warrant will be required to pay any expenses incurred in connection with the replacement of a mutilated, lost, stolen or destroyed Warrant. The Paying Agent is designated in the respective Authorizing Ordinances as paying agent and as registrar for and in respect to the Warrants.

The respective Authorizing Ordinances provide that each registered owner of the Warrants, by receiving or accepting the Warrant, consents and agrees and is estopped to deny that, insofar as the City and the Paying Agent are concerned, the Warrant may be transferred only in accordance with the provisions of the respective Authorizing Ordinances.

The principal of and premium (if any) on the Warrants shall be payable only upon presentation and surrender of the Warrants at the designated office of the Paying Agent. Interest on the Warrants shall be remitted by check or draft mailed by the Paying Agent to the then respective registered owners of the Warrants at the addresses thereof shown on the registration books of such bank pertaining to such Warrants. Such payment shall be deemed timely made if so mailed on the interest payment date (or if such interest payment date is not a Business Day, on the Business Day next following such interest payment date).

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel to the City, under the Internal Revenue Code of 1986, as amended (the "Code"), as presently construed and administered, and assuming compliance by the City with its covenants pertaining to certain requirements of federal tax law that are described herein and set forth in the Ordinance, the interest on the Warrants will be excludable from gross income of the recipients thereof for federal income tax purposes pursuant to the provisions of Section 103(a) of the Code, and the interest on the Warrants will not be an item of tax preference included in alternative minimum taxable income for the purpose of computing the minimum tax imposed by Section 55 of the Code. Such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. Bond Counsel to the City is also of the opinion that, under existing statutes, the interest on the Warrants is exempt from Alabama income taxation.

Bond Counsel to the City expresses no opinion regarding any other federal or any state tax consequences with respect to the Warrants. Bond Counsel to the City renders its opinion under existing statutes and court decisions as of the issue date and assumes no obligation to update its opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel to the City expresses no opinion on the effect of any action taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the Warrants.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Warrants. It does not purport to deal with all aspects of federal taxation that may be relevant to a particular owner of a Warrant. 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 Warrants.

Prospective owners of the Warrants 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 not included in gross income for federal income tax purposes. Interest on the Warrants 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

The initial public offering price to be paid for certain of the Warrants (the "Original Issue Discount Warrants") is less than the principal amount thereof. Under existing law, the difference between (i) the amount payable at the maturity of each Original Issue Discount Warrant, and (ii) the initial offering price to the public of such Original Issue Discount Warrant, constitutes original issue discount with respect to such Original Issue Discount Warrant in the hands of any owner who has purchased such Original Issue Discount Warrant in the initial public offering of the Warrants. Such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such Original Issue Discount Warrant equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Warrant continues to be owned by such owner. In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Warrant prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Warrant in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Warrant was held by such initial owner) is includable in gross income.

Under existing law, the original issue discount on each Original Issue Discount Warrant is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary date of the Warrants and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Warrant for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other taxable disposition thereof. The amount (if any) to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods (if any) multiplied by the yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Warrants.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Warrants which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Warrants should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Warrants and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale, gift or other disposition of such Original Issue Discount Warrants.

Original Issue Premium

The initial public offering price to be paid for certain of the Warrants (the "Original Issue Premium Warrants") is greater than the principal amount thereof. Under existing law, any owner who has purchased an Original Issue Premium Warrant in the initial public offering of the Warrants is required to reduce his basis in such Original Issue Premium Warrant by the amount of premium allocable to periods during which he holds such Original Issue Premium Warrant, and the amount of premium allocable to each accrual period will be applied to reduce the amount of interest received by the owner during each such period. All owners of Original Issue Premium Warrants should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Premium Warrant and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale, gift or other disposition of such Original Issue Premium Warrant.

Future Tax Legislation

There can be no assurance that additional legislation will not be introduced or enacted after issuance and delivery of the Warrants so as to cause interest on the Warrants to be or become included in gross income for purposes of federal income taxation or to impose additional requirements as a condition to the exclusion of such interest from gross income, nor that the introduction or enactment of any such legislation will not adversely affect the marketability of the Warrants.

Post-Issuance Compliance

The tax-exempt status of the Warrants could be affected by post-issuance events. Various requirements of the Code must be observed or satisfied after the issuance of the Warrants in order for such interest to remain excludable from gross income of the holders thereof. These requirements include restrictions on use of the proceeds of the Warrants, use of the facilities financed by the Warrants, investment of proceeds of the Warrants, and the rebate of so-called excess arbitrage earnings. The City is primarily responsible for such compliance, and a failure to comply could result in the inclusion of interest on the Warrants in gross income retroactive to the date of issuance of the Warrants. Likewise, the Internal Revenue Service (the "IRS") conducts an audit program to examine compliance with the requirements applicable to tax-exempt obligations. If the Warrants become the subject of an audit, under current IRS procedures, the City would be treated as the taxpayer in the initial stages of an audit, and the owners of the Warrants would have limited rights to participate in the audit process. The initiation of an audit with respect to the Warrants could adversely affect the market value and liquidity of the Warrants, even though no final determination about the tax-exempt status would have been made. If an audit were to result in a final determination that the Warrants do not qualify as tax-exempt obligations, such a determination could be retroactive in effect to the date of issuance of the Warrants.

No Mandatory Redemption due to Event of Taxability

The Ordinance does not provide for mandatory redemption of the Warrants or payment of any additional interest or penalty if a determination is made that the Warrants do not comply with the existing requirements of the Code or if a subsequent change in law adversely affects the tax-exempt status of the Warrants or the economic benefit of investing in the Warrants.

LITIGATION

There is not now pending or threatened any litigation restraining, enjoining or in any manner questioning or affecting the creation, organization or existence of (i) the City; (ii) the title of the present members of the City Council or other officers of the City to their respective offices; (iii) the validity of the Warrants; or (iv) the proceedings and authority under which the Warrants are issued.

The immunity from tort liability formerly enjoyed by local governmental units in Alabama has been largely eroded by recent court decisions. While Chapter 93 of Title 11 of the Code of Alabama 1975, as amended, now prescribes certain maximum limits on the liability of Alabama local governmental units (such as the City) for bodily injury, sickness, disease or death sustained by a person and for injury or destruction of tangible property, the constitutional validity of Chapter 93 has not been definitively determined. Additionally, Chapter 93 has no applicability to causes of action under Section 1983 or Section 1985 of Title 42 of the United States Code. Local governments throughout the country have been increasingly subjected to lawsuits - many of which seek substantial damages - for alleged denials of civil rights under the provisions of Section 1983 and Section 1985.

Several claims, suits, and complaints, common to municipalities, have been filed or are pending against the City. In the opinion of management and the City's attorneys, all such matters are without merit or involve such amounts as would not have a materially adverse effect on the City's financial statement.

FEDERAL BANKRUPTCY CODE

The rights and remedies of the registered owners of the Warrants are subject to the provisions of Chapter 9 of Title 11 of the United States Code (Bankruptcy) which permits under certain specific circumstances a political subdivision of a state, such as the City, to file a petition for relief in the U. S. District Court for the district in which the political subdivision is located if it is insolvent or unable to meet its debts as they mature and desires to effect a plan to adjust its debts. Under the Bankruptcy Code, the filing of such a petition operates as an "automatic" stay of the commencement or the continuation of any judicial or other proceeding against the petitioner, its property or any officer or inhabitant of the petitioner which seeks to enforce (a) any claim against the petitioner or (b) a lien arising out of any taxes or assessments due to the petitioner or (c) any setoff or counterclaim relating to a contract debt or obligation of the petitioner. Chapter 9 also permits a political subdivision that files such a petition to issue, with the approval of the Court, certificates of indebtedness having priority over pre-existing obligations.

The Bankruptcy Code contains a provision relating to the post-petition effect of a security interest in property of the petitioner. This provision is incorporated by reference into Chapter 9. The effect of this provision on a pledge of taxes to be received by a political subdivision such as the City is such that it would release or terminate a pledge of such tax proceeds once a petition is filed with the result that registered owners of obligations similar to the Warrants would in effect be general, unsecured creditors with respect to such tax proceeds after a petition is filed.

Prospective Warrantholders should assume that existing Alabama statutes authorize the City to file a petition for relief under Chapter 9 of Title 11, United States Code.

APPROVAL OF LEGAL MATTERS

Certain legal matters incident to the authorization and issuance of the Warrants are subject to the approval Waldrep Stewart & Kendrick, LLC Birmingham, Alabama, Bond Counsel, whose approving legal opinions will be delivered at the time of delivery of the Warrants. The proposed forms of those opinions are included in this Official Statement as Appendix A.

The various legal opinions to be delivered concurrently with the delivery of the Warrants express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

APPENDICES

The Appendices to this Official Statement contain information concerning the City and the Warrants.

Such Appendices are an integral part of this Official Statement and should be read in their entirety.

UNDERWRITER

INTL FCStone Financial Inc (the "Underwriter") has agreed, subject to certain customary conditions, to purchase the Series 2018 Warrants from the City at a price equal to $7,579,330.05 (which price reflects the par amount of $7,755,000 less an underwriter's discount of $89,182.50, less net original issue discount of $86,487.45. The Underwriter intends to offer the Series 2018 Warrants to the public at the prices or yields stated on the inside cover page hereof. Such initial offering prices may be changed from time to time by the Underwriter. The City has been advised that the Underwriter may offer the Series 2018 Warrants to certain dealers and others at prices lower than the public offering prices.

WARRANTHOLDERS' RISK FACTORS

An investment in the Warrants involves certain risks which should be carefully considered by investors. Prospective investors should carefully examine this Official Statement, including their own financial condition in order to make a judgment as to their ability to bear the economic risk of such an investment and whether or not the Warrants are an appropriate investment for them. The sufficiency of general fund moneys to pay debt service on the Warrants may be affected by events and conditions relating generally to, among other things, the value of retail sales in the City and population trends, the exact nature and extent of which are not presently determinable.

BANK QUALIFICATION

Prior to enactment of the Internal Revenue Code, financial institutions (including commercial banks) generally were permitted to invest deposited funds in tax-exempt obligations, while continuing to deduct interest paid to depositors. The corporation tax preference rules reduced by 20% the amount which could be deducted by financial institutions for interest on funds allocable to tax exempt obligations acquired after 1982. In general, the Internal Revenue Code denies financial institutions 100% of interest deductions that are allocable to tax-exempt obligations acquired on or after August 8, 1986. The prior law (i.e., 20%) reduction continues to apply, however, with respect to "qualified-tax exempt obligations" acquired by financial institutions on or after August 18, 1986. Qualified-tax exempt obligations have to be designated as such by the issuer and not more than $10,000,000 of obligations may be so designated by any issuer (including subordinate entities) for any calendar year. Under the Internal Revenue Code, qualified tax-exempt obligations are treated as acquired by the financial institution before August 8, 1986. The Series 2018 Warrants are being designated as qualified tax-exempt obligations by the City, and, under the Internal Revenue Code, the interest expense allocable to the Series 2018 Warrants will remain subject to the 20% disallowance contained in prior law.

CONTINUING DISCLOSURE UNDERTAKING

The City has entered into a Disclosure Dissemination Agent Agreement (the "Disclosure Dissemination Agent Agreement") with Digital Assurance Certification, L.L.C., pursuant to which the City has covenanted for the benefit of the beneficial owners of the Warrants to provide, on an annual basis, certain financial information and operating data relating to the City, and pursuant to which the City is covenanting to provide notices of certain enumerated events, through the Electronic Municipal Market Access ("EMMA") system established by the Municipal Securities Rulemaking Board ("MSRB") (or such other system as may be subsequently authorized by the MSRB). The form of Disclosure Dissemination Agent Agreement is attached as Appendix C hereto. The Disclosure Dissemination Agent Agreement will be entered into in order to assist the Underwriter of the Warrants in complying with Rule 15c2-12 of the Securities and Exchange Commission.

Past Compliance

The City, during the fiscal years 2012-2015, failed to timely file its Annual Financial Information (audited financial information and operating data) on or before the due date as required by the terms of continuing disclosure agreements executed by the City in connection with the issuance of certain of its existing indebtedness, including its General Obligation School Warrants, Series 2005, its General Obligation Warrants, Series 2011-A and its General Obligation School Warrants, Series 2012. The City also failed to file notice of various rating changes of various Bond Insurers (information about such rating changes was publicly reported). The City has engaged DAC as its Disclosure Dissemination Agent with respect to the Series 2018 Warrants. The City filed such information on August 11, 2016 and August 17, 2016, and filed a Notice of Late Filing on February 5, 2018. The City has taken corrective action with respect to these former failures and has taken measures to ensure that all future filings are made in a timely manner.

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or estimates, whether 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. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the registered owners of the Warrants. The City has furnished all information in the Official Statement relating to the City.

CITY OF ONEONTA

By /s/_____
Mayor

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APPENDIX A

Proposed Opinions of Bond Counsel

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[date]

INTL FC Stone Financial, Inc.
Mobile, Alabama

City of Oneonta
Oneonta, Alabama

The Bank of New York
Mellon Trust Company,
N.A. Birmingham,
Alabama

Re: $7,755,000 General Obligation Warrants, Series 2018, dated February 22, 2018, issued by the City of Oneonta, Alabama

Ladies and Gentlemen:

This opinion is rendered in connection with the issuance of the above-referenced series of warrants (the "Warrants") by the City of Oneonta, an Alabama municipality (the "Municipality"). The Warrants are issued pursuant to an ordinance adopted by the governing body of the Municipality (the " Warrant Ordinance"). The Warrants are issued for the purposes of providing funds to (a) to pay for certain capital improvements, (b) currently refund the City General Obligation Warrants, Series 2011A, and (c) pay issuance expenses.

We have examined the following: the proceedings of the Municipality for adoption of the Warrant Ordinance; and other certificates, documents and proofs considered by us to be pertinent. In rendering this opinion we have relied upon statements set forth in certificates executed by public officials and by officers of the Municipality.

Based upon the foregoing and upon our examination of the aforesaid proceedings and other papers submitted to us, and in reliance on the aforesaid certificates and assuming compliance with the covenants and representations in the Warrant Ordinance, we are of the following opinion, as of the date hereof and under existing law:

(1) The Warrants are valid and binding orders upon the City Treasurer of the Municipality for the payment of the principal thereof and interest thereon and evidence and order paid the valid general obligation indebtedness of the Municipality.

(2) Interest on the Warrants is presently excludable from gross income for federal income taxation pursuant to Section 103 of the Code and applicable regulations and rulings of the Commissioner of Internal Revenue and court decisions heretofore rendered.

(3) Interest on the Warrants is exempt from present income taxation in the State of Alabama.

No opinion is expressed with respect to the tax treatment of any taxpayer under any provision or section of the Code other than the aforesaid Section 103 as a result of the receipt of interest on the Warrants. It should be noted, however, that, in computing federal income tax liability, (1) interest on the Warrants is required to be included in certain alternative minimum tax calculations for corporations, (2) property and casualty insurance companies are required to include a portion of the tax-exempt interest on the Warrants to offset the loan loss reserve, (3) interest on the Warrants is required to be included in the calculation of the amount, if any, of social security benefits and certain railroad retirement benefits required to be included in gross income and (4) interest on the Warrants is required to be included in the calculation of the amount, if any, of passive investment income of Subchapter S corporations subject to taxation. No assurances can be given that federal legislation will not be introduced and enacted which could adversely affect the exclusion of interest on the Warrants from gross income for federal income taxation or the tax treatment of certain owners of the Warrants as a result of the receipt of such interest.

The Municipality has covenanted that the applicable requirements of the Code will be met as long as the Warrants are outstanding. The exclusion from gross income for federal income tax purposes of the interest on the Warrants depends on and is subject to the accuracy of the certifications with respect to the applicable requirements of the Code. A failure to comply with these requirements could cause interest on the Warrants to be deemed not excludable from gross income for federal income tax purposes as of the date of issuance of the Warrants or as of some later date.

The rights of the registered owners of the Warrants and the enforceability thereof are subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the constitutional powers of the United States of America and the sovereign police powers of the State of Alabama, and to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors rights heretofore or hereafter enacted.

The opinion is (a) limited to matters stated herein and no opinion may be inferred beyond the matters expressly stated, (b) given as of the date hereof and with the express understanding that we have no obligation to advise you or any of your successors or assigns of any changes in law or fact subsequent to the date hereof, even though such changes may affect the opinions expressed herein, (c) rendered to you solely in connection with the subject transactions and may not be relied upon by you or by any other person for any other purpose, and (d) rendered as an expression of our professional judgment as to the legal issues explicitly addressed herein, by the rendering of which we do not become an insurer or guarantor of that expression of professional judgment or of the outcome of any legal dispute that may arise with respect to any of the matters herein contained.

Faithfully yours,

APPENDIX B

Audited Financial Statement of the City for the Fiscal Year Ending September 30, 2016

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City of Oneonta, Alabama

Financial Statements

September 30, 2016

City of Oneonta, Alabama
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September 30, 2016

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CRI CARR RIGGS & INGRAM
CPAs and Advisors

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Oneonta, Alabama 35121

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www.cricpa.com

INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Oneonta, Alabama

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Oneonta, Alabama as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the net pension liability, and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require supplementing the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Oneonta, Alabama's basic financial statements. The introductory section and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Carr, Riggs & Ingram, L.L.C.

Oneonta, Alabama
February 20, 2017

City of Oneonta, Alabama
Statement of Net Position

September 30, 2016	Governmental Activities	Component Unit Oneonta Public Library
Assets		
Cash and cash equivalents	$ 1,167,149	$ 31,371
Certificates of deposit	1,106,463	31,482
Receivables	478,174	32
Prepaid insurance	97,584	-
Restricted investments	104,373	-
Land and other non-depreciable property	2,644,102	-
Buildings, equipment and other depreciable property	17,809,976	280,219
Accumulated depreciation	(8,749,463)	(275,156)
Total assets	14,658,358	67,948
Deferred outflows of resources		
Pension remittance and pension earnings differences	536,831	-
Loss on debt refunding	396,795	-
Total deferred outflows of resources	933,626	-
Total assets and deferred outflows of resources	15,591,984	67,948
Liabilities		
Accounts payable	141,792	4,287
Accrued payroll and related items	119,842	-
Short-term note payable	200,125	
Other accrued liabilities	55,691	-
Long-term liabilities		
Compensated absences	226,404	
Long-term debt, net of discount and funding agreement - current	554,551	-
Noncurrent:		
Pension liability	2,372,837	-
Long-term debt, net of discount and funding agreement	4,548,040	-
Total liabilities	8,219,282	4,287
Deferred inflows of resources		
Deferred inflow - pension expense	163,372	-
Total deferred inflows of resources	163,372	-
Net position		
Net investment in capital assets	6,602,024	5,063
Restricted for debt service	104,373	-
Restricted for capital projects	69,660	-
Restricted gas tax funds	456,037	-
Unrestricted	(22,764)	58,598
Total net position	$ 7,209,330	$ 63,661

See accompanying notes to basic financial statements.

City of Oneonta, Alabama
Statement of Activities

Year ended September 30, 2016

Program Activities	Expenses	Fees, Fines & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government administration	$ 1,716,480	$ -	$ -	$ 474,769
Program on aging	63,727	-	-	-
Inspection	164,575	-	-	-
Court	413,812	-	-	-
Police	1,650,439	349,025	-	-
Fire	1,403,718	-	-	-
Street	932,117	-	61,502	51,186
Sanitation	243,543	360,602	-	-
Park and recreation	749,032	149,611	-	-
Library	292,472	-	-	-
Appropriations	254,560	-	-	-
Interest on long-term debt	239,099	-	-	-
Total governmental activities	8,123,574	859,238	61,502	525,955
Component Units				
Oneonta Public Library Board	106,807	29,595	67,546	-
Total component units	106,807	29,595	67,546	-
Total primary government	$ 8,230,381	$ 888,833	$ 129,048	$ 525,955

General revenues:	
Taxes	
Licences and permits	
Intergovernmental	
Interest earnings	
Transfers from other governments	
Interest payments shown by school board	
Miscellaneous	
Total general revenues	
Change in net position	
Net position - beginning of year	
Net position at end of year	

See accompanying notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Assets - Primary Government		
Governmental Activities	Component Unit	Total
$ (1,241,711)	$ -	$ (1,241,711)
(63,727)	-	(63,727)
(164,575)	-	(164,575)
(413,812)	-	(413,812)
(1,301,414)	-	(1,301,414)
(1,403,718)	-	(1,403,718)
(819,429)	-	(819,429)
117,059	-	117,059
(599,421)	-	(599,421)
(292,472)	-	(292,472)
(254,560)	-	(254,560)
(239,099)	-	(239,099)
(6,676,879)	-	(6,676,879)
-	(9,666)	(9,666)
-	(9,666)	(9,666)
$ (6,676,879)	$ (9,666)	$ (6,686,545)
5,601,397	-	5,601,397
1,038,703	-	1,038,703
289,504	-	289,504
23,737	-	23,737
165,861	-	165,861
-	-	-
101,017	-	101,017
7,220,219	-	7,220,219
543,340	(9,666)	533,674
6,731,429	73,327	6,804,756
$ 7,274,769	$ 63,661	$ 7,338,430

See accompanying notes to basic financial statements.

City of Oneonta, Alabama
Balance Sheet—Governmental Funds

Year ended September 30, 2016	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 651,314	$ 515,835	$ 1,167,149
Certificates of deposit	1,106,463	-	1,106,463
Accounts receivable	467,243	10,931	478,174
Investments - restricted	-	104,373	104,373
Due from other funds	-	2,147	2,147
Prepaid expenses and deposits	97,584	-	97,584
Total assets	2,322,604	633,286	2,955,890
Liabilities			
Accounts payable	141,792	-	141,792
Accrued expenses	119,842	-	119,842
Due to other funds	2,147	-	2,147
Total liabilities	263,781	-	263,781
Fund balance			
Nonspendable:			
Prepaid items and deposits	97,584	-	97,584
Restricted for:			
Capital road projects and resurfacing	-	49,311	49,311
Road maintenance and construction	-	406,726	406,726
Capital projects	-	69,660	69,660
Debt service	-	104,373	104,373
Assigned for:			
Park and recreation	-	3,216	3,216
Unassigned	1,961,239	-	1,961,239
Total fund balance	2,058,823	633,286	2,692,109
Total liabilities and fund balance	$ 2,322,604	$ 633,286	$ 2,955,890

See accompanying notes to basic financial statements.

City of Oneonta, Alabama
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

September 30, 2016

Total Fund Balances for Governmental Funds		$ 2,692,109
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Governmental capital assets	20,454,078	
Less accumulated depreciation	(8,749,463)	11,704,615
Long-term assets and liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long term, are reported in the statement of net assets		
Pension liability	(2,372,837)	
Deferred inflow of resources-pension liability	(163,372)	
Net difference in projected and actual pension earnings	211,392	
Pension remittances subsequent to the measurement date	325,439	
Unamortized debt discount	86,692	
Loss on refunded debt	396,795	
Accrued interest on warrants payable	(55,691)	
General obligation warrants and long-term debt payable	(9,884,719)	
Line of credit payable	(200,125)	
Compensated absences liability	(226,404)	
Funding agreement - Oneonta school board	4,789,100	
Capitalized lease obligations	(93,664)	(7,187,394)
Net position of governmental activities		$ 7,209,330

See accompanying notes to basic financial statements.

City of Oneonta, Alabama
Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds

Year ended September 30, 2016	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	$ 5,591,954	$ 122,131	$ 5,714,085
Licenses and permits	1,038,703	-	1,038,703
Police fines	349,025	-	349,025
Sanitation collection fees	360,602	-	360,602
Park and recreation	149,611	-	149,611
Intergovernmental	703,007	61,266	764,273
Other revenues	101,017	-	101,017
Interest	20,022	3,715	23,737
Total Revenue	8,313,941	187,112	8,501,053
Expenditures			
General government	1,502,292	519	1,502,811
Program on aging	64,496	-	64,496
Inspection	159,630	9,769	169,399
Court	406,530	-	406,530
Police	1,605,146	-	1,605,146
Fire	1,292,024	-	1,292,024
Street	844,028	-	844,028
Sanitation	243,543	-	243,543
Park and recreation	692,477	-	692,477
Library	281,938	-	281,938
Capital outlay	991,495	155,993	1,147,488
Principal	85,136	645,000	730,136
Interest	36,710	204,883	241,593
Appropriations	254,560	-	254,560
Total Expenditures	8,460,005	1,016,164	9,476,169
Excess (Deficiency) of Revenues Over (Under) Expenditures	(146,064)	(829,052)	(975,116)
OTHER FINANCING SOURCES (USES)			
Proceeds from line of credit	200,000	-	200,000
Transfer to other funds	(897,416)	(65,439)	(962,855)
Transfer from other funds/other governments	423,161	897,416	1,320,577
Total other financing sources (uses)	(274,255)	831,977	557,722
Excess (Deficiency) of Revenues And Other Financing Sources Over (Under) Expenditures And Other Financing Uses	(420,319)	2,925	(417,394)
FUND BALANCES - Beginning as restated, Note 11	2,479,142	630,361	3,109,503
FUND BALANCES - Ending	$ 2,058,823	$ 633,286	$ 2,692,109

See accompanying notes to basic financial statements.

City of Oneonta, Alabama
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-wide Statement of Activities

Year ended September 30, 2016

Net change in fund balances - total governmental funds		$ (417,394)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Expenditures for capital assets	1,147,488	
Less current year depreciation and amortization	(618,164)	529,324
Repayment of bond and notes payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position		
Principal payments on long-term debt and capital leases	730,136	
Principal reduction refunding agreement - Oneonta School Board	(257,300)	472,836
The net effect of transactions involving the sale of capital assets is to decrease net position in the statement of net position		
Proceeds from sale of fixed assets	(6,743)	
Gain on sale of fixed assets	6,743	-
Under modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes of the following balances.		
Amortization of bond discounts	(4,900)	
Pension expense adjustment for actuarial calculation	121,301	
Change in accrued interest on bonds and notes	2,494	
Borrowings from line of credit	(200,000)	
Amortization of deferred charges on debt refunding	(25,760)	(106,865)
Change in net position of governmental activities		$ 477,901

See accompanying notes to basic financial statements.

Notes to Financial Statements Index

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The City of Oneonta, Alabama is a municipality governed by an elected mayor and council. The City's major operations include providing police, fire and emergency medical services for its citizens, garbage pickup service, maintenance of streets, operation of the City park and public library, and general administrative services.

In evaluating how to define the City for financial reporting purposes, all potential component units were considered. The basic, but not the only, criterion for including a component unit within the reporting entity is the City's ability to exercise oversight responsibility. Oversight responsibility is defined to include, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. These factors were considered in evaluation of the following organizations:

RELATED ORGANIZATIONS

The Mayor and City Council are responsible for appointing the members of boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. The other boards include the Utilities Board of the City of Oneonta; the Housing Authority of the City of Oneonta; the Medical Clinic Board; the Mental Health Board; the Zoning Board of Adjustments; the Blount County Merit Board; the Planning Commission; and the Industrial Development Board. These entities have insignificant assets or financial activity and therefore are not included as part of the City's reporting entity. The Mayor and City Council also appoint two to three members of the nine member board of the Blount County – Oneonta Agri-Business Center.

Oneonta Public Library Board (Library Board)

The Library Board is responsible for providing library services. The Board of Directors is comprised of five members appointed by the City Council. The Library Board receives funds from the State of Alabama, but the City also subsidizes operations. Based upon these factors, the City has determined that the Library Board should be included as a discretely presented component unit in accordance with GASB Statement No. 61, "The Financial Reporting Entity."

BASIS OF PRESENTATION, BASIS OF ACCOUNTING

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds

have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements. The fund financial statements provide information about the City's funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental fund:
General Fund. This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following nonmajor funds:
State Oil & Gas Capital Improvement Fund. This is the City's primary fund that provides for capital improvements. The fund accounts for all monies provided by the Alabama Trust Fund.
Debt Service Funds. The Debt Service Fund is used for accumulating resources for the payment of interest and principal on long-term general obligation debt.
Special Revenue Funds. Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from taxes and licenses is recognized in the fiscal year for which the taxes or licenses are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, gasoline taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

All governmental and business-type activities funds of the City follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

Deposits and Investments

The City is restricted to depositing and investing in accounts that are fully insured by the state and federal government.

Cash and Cash Equivalents

The City considers cash and cash equivalents in proprietary funds to be cash on hand and demand deposits.

Receivables and Payables

All trade and tax receivables are shown net of any allowance for uncollectibles.

Receivables are reported as *Receivables* and *Due from Other Governments* in the government-wide financial statements and as *Receivables, Due from Other Funds,* and *Due from Other Governments* in the fund financial statements. Receivables due from other governments include amounts due from grantors for grants issued for specific programs and local taxes.

Prepaid Items

Certain payments to vendors reflect costs that benefit future accounting periods and are recorded on the consumption basis. They are similarly reported in the government-wide and fund financial statements.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. General infrastructure assets, which include road network, bridges, sidewalks, etc., are only those acquired or that received substantial improvements subsequent to September 30, 2003. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives	Capitalization Thresholds
Infrastrucure	30 years	$5,000
Buildings	40 years	$5,000
Building improvements	20 years	$5,000
Vehicles	2 - 15 years	$5,000
Office equipment	3 - 15 years	$1,000

Capitalized Interest

Interest costs are capitalized when incurred by proprietary funds on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized.

Long-Term Debt, Deferred Debt Expense, and Bond Discounts/Premiums

In the government-wide and proprietary financial statements, outstanding debt is reported as liabilities. Bond discounts or premiums and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

In prior years, the General Fund has liqudated the annual current portion of the other long-term debt related to governmental activities.

Fund Equity

Beginning in the fiscal year 2010, the City implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance – amounts that are not in a spendable form or are required to be maintained intact.
Restricted Fund Balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
Committed Fund Balance – amounts constrained to specific purposes by a government itself, using its highest level of decision making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
Assigned Fund Balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned Fund Balance – amounts that are available for any purpose; positive amounts are reported only in the General Fund.

City Council establishes, modifies, or rescinds fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by City Council through adoption or amendment of the budget as intended for a specific purpose. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted first, then committed, assigned, and unassigned – in order as needed.

Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual and personal leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Budgets and Budgetary Accounting

Formal integration of budgets is used as a management control device during the year for the General Fund. This budget is adopted on the cash basis of accounting. Since the financial statements are prepared on a basis consistent with U.S. generally accepted accounting principles (modified accrual), there may be some timing differences between the budgetary data and financial statement data; however, these would be immaterial. The Mayor and Council approve the budgets. For the year ended September 30, 2016, total budgeted inflows for the governmental funds were $7,404,300 and total budgeted outflows including transfers were $7,404,300. Unused appropriations for all of the annually budgeted funds lapse at the end of the year.

Pensions

The Employees Retirement System of Alabama (the Plan) financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions are recognized as revenues when earned, pursuant to the plan requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Expenses are recognized when the corresponding liability is incurred, regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with requirements of the Governmental Accounting Standards Board (GASB). Under these requirements, the Plan is considered a component unit of the State of Alabama and is included in the State's Comprehensive Annual Financial Report.

Property Taxes

All ad valorem real property taxes levied by municipalities in Blount County, Alabama are assessed by the Blount County Tax Assessor and collected by the Blount County Revenue Commissioner. The Blount County Revenue Commissioner attached taxes as enforceable liens on property as of October 1 and taxes become due October 1 through December 31. Property taxes not paid by January 1 are considered delinquent. Personal property taxes are also collected by the Blount County Revenue Commissioner and are due from October 1 through December 31. After collecting property taxes, the Blount County Revenue Commissioner remits the City's portion by check monthly. Taxes collected by the Blount County Revenue Commissioner before the fiscal year end, but remitted to the City after September 30 are accrued in the General Fund.

NOTE 2: DEPOSITS AND INVESTMENTS

As of September 30, 2016, the carrying amounts of the City's bank deposits were covered by the State of Alabama's Security of Alabama Funds Enhancement (SAFE) Program. The SAFE Program was established by the Alabama Legislature and is governed by the provisions contained in the Code of Alabama 1975, Sections 41-14A-1 through 41-14A-14. Under the SAFE Program all public funds are protected through a collateral pool administered by the Alabama State Treasurer's Office. Under this program, financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that financial institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation (FDIC). If the securities pledged failed to produce adequate funds, every institution participating in the pool would share the liability for the remaining balance.

The City's investments, which are all in restricted bond accounts, are direct obligations of the United States government, its agencies or instrumentalities to the payment of which the full faith and credit of the government of the United States is pledged. The restricted investments are covered by the agreement between the City and the financial institution.

NOTE 3: RESTRICTED ASSETS

Certain debt service assets are restricted for payment of long-term debt. Net assets restricted for debt service include the excess of assets over certain liabilities restricted for the debt service on general obligation bonds.

NOTE 4: INTER-FUND BALANCES AND TRANSFERS

Balances due to/from other funds at September 30, 2016, consist of the following:

From the special revenue funds to general fund for road expenses and capital assets reimbursement	$	5,831
From the capital projects fund to the general fund to pay for capital projects		59,608
From the general fund to the debt service fund to pay for debt service		897,416
Total	$	962,855

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2016, was as follows:

Governmental Activities:	Beginning Balances	Increases	Disposals or Reclasses	Ending Balances
Capital assets not being depreciated:				
Land	$ 974,019	$ 1,330,862	$ -	$ 2,304,881
Construction in progress	108,529	327,290	96,598	339,221
Total capital assets not being depreciated:	1,082,548	1,658,152	96,598	2,644,102
Capital assets being depreciated:				
Road network	1,760,454	19,860	-	1,780,314
Buildings	7,397,987	493,865	-	7,891,852
Park improvements	631,140	-	-	631,140
Equipment	2,052,820	149,459	-	2,202,279
Airport improvements	2,471,210	-	-	2,471,210
Vehicles	2,685,159	148,022	-	2,833,181
Total capital assets being depreciated:	16,998,769	811,206	-	17,809,976
Less accumulated depreciation for:				
Road network	336,436	41,662	-	378,098
Buildings	3,360,017	160,900	-	3,520,917
Park improvements	408,996	17,180	-	426,176
Equipment	1,271,925	171,101	-	1,443,026
Airport improvements	747,193	68,257	-	815,450
Vehicles	2,006,732	159,064	-	2,165,796
Total accumulated depreciation	8,131,298	618,164	-	8,749,463
Total capital assets being depreciated, net	8,867,471	193,042	-	9,060,513
Governmental activity capital assets, net	$ 9,950,019	$ 1,851,194	$ 96,598	$ 11,704,615

Depreciation expense was charged to the functions as follows:

General government	$	101,770
Public safety		
Police		83,474
Fire		148,262
Airport		97,593
Court		7,282
Street		97,511
Park and recreation		65,819
Library		23,665
Total	$	625,376

NOTE 6: LONG-TERM OBLIGATIONS

The City issues bonds and notes to provide funds for the acquisition and construction of major capital facilities and needed equipment.

Long-Term Obligation Activity

Changes in long-term obligations for the year ended September 30, 2016, are as follows:

	September 30, 2015	Increases	Decreases	September 30, 2016	Due in one year
Governmental activities:					
Capital Lease-Excavator	$ 158,519	$ -	$ 64,855	$ 93,664	$ 61,764
Capital Lease Sub-Total	158,519	-	64,855	93,664	61,764
Note Payable - Private Corporation	-	1,225,000	20,281	1,204,719	41,787
General Obligation Warrants, Series 2011-B	100,000	-	100,000	-	-
General Obligation Warrants, Series 2011-A	3,905,000	-	130,000	3,775,000	340,000
General Obligation Warrants, Series 2012	4,605,000	-	365,000	4,240,000	265,000
General Obligation Warrants, Series 2005	715,000	-	50,000	665,000	40,000
General Obligation Warrants, Sub-Total	9,325,000	1,225,000	665,281	9,884,719	686,787
Unamortized Discount	(91,592)	-	(4,900)	(86,692)	(4,900)
Total Warrants and Leases Payable	9,391,927	1,225,000	725,236	9,891,691	743,651
Funding Agreement-Oneonta City Board of Education, Series 2005	(5,046,400)	-	(257,300)	(4,789,100)	(189,100)
Long Term Liabilities, Net of Funding Agreement	$ 4,345,527	$ 1,225,000	$ 467,936	$ 5,102,591	$ 554,551

Debt Service Requirements

Debt service requirements on long-term debt at September 30, 2016, are as follows:

	Principal	Interest
Year ending September 30,		
2017	$ 686,787	$ 242,287
2018	703,475	230,234
2019	720,231	215,895
2020	732,058	199,641
2021	758,960	181,839
2022-2026	3,021,115	606,325
2027-2031	1,696,583	320,081
2032-2036	1,565,510	84,174
Total	$ 9,884,719	$ 2,080,476

Future minimum lease payments under the capital lease are as follows:

Year ending September 30,	
2017	$ 64,068
2018	32,302
Total minimum lease payments	96,370
Less executory costs and related profit	-
Net minimum lease payments	96,370
Less amount representing interest	(2,706)
Total	$ 93,664

Interest expense and amortization of costs on all debt for the year ended September 30, 2016, were as follows:

	General Obligation Warrants	Long-term debt and capital leases
Interest paid	$ 254,522	$ 32,350
Increase (decrease) in accrued interest	(2,764)	-
Amortization of discount and loss on debt refunding	30,660	-
Total	$ 282,418	$ 32,350

Losses and discounts and the related amortization are as follows at September 30, 2016:

	Loss on Debt Refunding	Discount
Governmental activities:		
Original amounts	$ 513,386	$ 108,121
Less accumulated amortization	(116,591)	(21,429)
Totals	$ 396,795	$ 86,692

For vacation leave and other compensated absences with similar characteristics, GASB Statement No. 16 requires the accrual of a liability as the benefits are earned by the employees if certain conditions are met. City employees had incurred accumulated unpaid vacation leave amounting to $226,404 at September 30, 2016. A liability for vacation pay is reported in the governmental funds only if they have matured. The City had no liability for matured vacation pay at September 30, 2016 and thus no liability is recorded in the governmental funds financial statements. In prior years, the General Fund has liquidated any annual portion of the compensated absence liability.

Advance Refunding of Debt

In prior years, the City issued refunding bonds to defease certain outstanding bonds, for the purpose of consolidation and to achieve debt service savings. The City has placed the proceeds from the refunding issues in irrevocable escrow accounts with a trust agent to insure payment of debt service on the refunded bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statement. Although defeased, the refunded debt from these earlier issues will not be actually retired until the call dates have come due or until maturity if they are not callable issues.

NOTE 7: PENSIONS

The City of Oneonta, Alabama contributes to the Employees' Retirement System of Alabama, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for the state agencies, departments and local government entities. The Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for Employees' Retirement System of Alabama. That report may be obtained by writing to The Retirement Systems of Alabama, 135 South Union Street, Montgomery, Alabama 36130.

Plan Description and Provisions:

The Employees' Retirement System of Alabama, an agency multiple-employer plan, was established October 1, 1945, under the provisions of Act 515 of the Legislature of 1945 for the purpose of providing retirement allowances and other specified benefits for state employees, State Police, and on an elective basis, to all cities, counties, Cities and quasi-public organizations. The responsibility for the general administration and operation of ERS is vested in its Board of Control. The ERS Board of Control consists of 13 trustees. The Plan is administered by the Retirement Systems of Alabama (RSA). Title 36-Chapter 27 of the Code of Alabama grants the authority to establish and amend the benefit terms to the ERS Board of Control. The Plan issues a publicly available financial report that can be obtained at www.rsa-al.gov.

The ERS Board of Control consists of 13 trustees as follows:

1) The Governor, ex officio.
2) The State Treasurer, ex officio.
3) The State Personnel Director, ex officio.
4) The State Director of Finance, ex officio.
5) Three vested members of ERS appointed by the Governor for a term of four years, no two of whom are from the same department of state government nor from any department of which an ex officio trustee is the head.
6) Six members of ERS who are elected by members from the same category of ERS for a term of four years as follows:
    a. Two retired members with one from the ranks of retired state employees and one from the ranks of retired employees of a city, county, or a public agency each of whom is an active beneficiary of ERS.
    b. Two vested active state employees.
    c. Two vested active employees of an employer participating in ERS pursuant to § 36-27-6.

Benefits Provided:

State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in post-retirement benefits for the ERS. Benefits for ERS members vest after 10 years of creditable service. State employees who retire after age 60 (52 for State Police) with 10 years or more of creditable service or with 25 years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Local employees who retire after age 60 with 10 years or more of creditable service or with 25 or 30 years of service (regardless of age), depending on the particular entity's election, are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, members of the ERS (except State Police) are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service. State Police are allowed 2.875% for each year of State Police service in computing the formula method.

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 ERS members are eligible for retirement after age 62 (56 for State Police) with 10 years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of the ERS (except State Police) are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service. State Police are allowed 2.375% for each year of state police service in computing the formula method.

Members are eligible for disability retirement if they have 10 years of creditable service, are currently in-service, and determined by the RSA Medical Board to be permanently incapacitated from further performance of duty. Preretirement death benefits are calculated and paid to the beneficiary on the member's age, service credit, employment status and eligibility for retirement.

The ERS serves approximately 846 local participating employers. These participating employers include 287 cities, 65 counties, and 494 other public entities. The ERS membership includes approximately 83,874 participants. As of September 30, 2014, membership consisted of:

Retirees and beneficiaries currently receiving benefits	22,211
Terminated employees entitled to but not yet receiving benefits	1,353
Terminated employees not entitled to a benefit	5,451
Active members	55,164
Post-DROP participants who are still in active service	214
	84,393

Contributions

Covered members of the ERS contributed 5% of earnable compensation to the ERS as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, covered members of the ERS were required by statute to contribute 7.25% of earnable compensation. Effective October 1, 2012, covered members of the ERS are required by statute to contribute 7.50% of earnable compensation. Certified law enforcement, correctional officers, and firefighters of the ERS contributed 6% of earnable compensation as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, certified law enforcement, correctional officers, and firefighters of the ERS were required by statute to contribute 8.25% of earnable compensation. Effective October 1, 2012, certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 8.50% of earnable compensation. State Police of the ERS contribute 10% of earnable compensation. ERS local participating employers are not required by statute to increase contribution rates for their members.

Tier 2 covered members of the ERS contribute 6% of earnable compensation to the ERS as required by statute. Tier 2 certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 7% of earnable compensation. Tier 2 State Police members of the ERS contribute 10% of earnable compensation. These contributions rates are the same for Tier 2 covered members of ERS local participating employers.

The ERS establishes rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amounts to finance any unfunded accrued liability, the pre-retirement death benefit and administrative expenses of the Plan.

The Plan's contractually required contribution rate for the year ended June 30, 2016, was 9.65% of pensionable pay for Tier 1 employees and 7.76% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2013, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the System were $338,598 for the year ended September 30, 2016.

Net Pension Liability

The Plan's net pension liability was measured as of September 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as September 30, 2014, rolled forward to September 30, 2015, using standard roll-forward techniques as shown in the following table:

	Expected	Actual
Total pension liability as of September 30, 2014 (a)	$ 8,504,725	$ 8,327,815
Entry age normal cost for October 1, 2014 - September 30, 2015 (b)	262,544	262,544
Actual benefit payments and refunds for October 1, 2014 - September 30, 2015 (b)	(400,463)	(400,463)
Total pension liability as of September 30, 2015 = (a) x (1.08)] + (b) [(c) x (1.04)]	$ 9,031,165	$ 8,840,103
Difference between expected and actual experience (gain)/loss		$ (191,062)

Actuarial assumptions

The total pension liability in the September 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75% - 7.25%
Investment rate of return *	8.00%

*Net of pension plan investment expense

Mortality rates for ERS were based on the RP-2000 Combined Mortality Table Projected with Scale AA to 2015 set forward three years for males and two years for females. The rates of mortality for the period after disability retirement are according to the sex distinct RP-2000 Disability Mortality Table.

The actuarial assumptions used in the September 30, 2014, valuation were based on the results of an investigation of the economic and demographic experience for the ERS based upon participant data as of September 30, 2010. The Board of Control accepted and approved these changes on January 27, 2012, which became effective at the beginning of fiscal year 2012.

The long-term expected rate of return on pension plan investments was determined using a log normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class are as follows:

	Target Allocation	Long-Term Expected Rate of
Fixed Income	25.00%	5.00%
U.S. Large Stocks	34.00%	9.00%
U.S. Mid Stocks	8.00%	12.00%
U.S. Small Stocks	3.00%	15.00%
International Developed Market Stocks	15.00%	11.00%
International Emerging Market Stocks	3.00%	16.00%
Real Estate	10.00%	7.50%
Cash	2.00%	1.50%
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was the long term rate of return, 8%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made in accordance with the funding policy adopted by the ERS Board of Control. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at 09/30/2014	$ 8,504,725	$ 6,335,242	$ 2,169,483
Changes for the year:			
Service cost	262,544	-	262,544
Interest	664,359	-	664,359
Differences between expected and actual experience	(191,062)	-	(191,062)
Contributions – employer	-	219,459	(219,459)
Contributions – employee	-	222,424	(222,424)
Net investment income	-	75,496	(75,496)
Benefit payments, including refunds of employee contributions	(400,463)	(400,463)	-
Administrative expense	-	-	-
Transfers among employers	-	15,108	(15,108)
Net Changes	335,378	132,024	203,354
Balances at 09/30/2015	$ 8,840,103	$ 6,467,266	$ 2,372,837

Sensitivity of the net pension liability to changes in the discount rate

The following table presents the Plan's net pension liability calculated using the discount rate of 8%, as well as what the Plan's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7%) or 1-percentage point higher (9%) than the current rate:

	1% Decrease (7.00%)	Current Rate (8.00%)	1% Increase (9.00%)
Plan's net pension liability (asset)	$3,580,600	$2,372,837	$1,370,877

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2014. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2014. The auditor's report dated June 3, 2015, on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes is also available. The additional financial and actuarial information is available at www.rsa-al.gov.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2015, the City recognized pension expense of $204,139. At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

	Deferred Outflows of Resources	Deferred Inflows from Resources
Differences between expected and actual experience	$ -	$ 163,372
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	211,392	-
Employer contributions subsequent to the measurement date	325,439	-
Total	$ 536,831	$ 163,372

Amounts reported as deferred outflows of resources and deferred inflows of resources to pensions will be recognized in pension expense as follows:

Year ending September 30,		
2017	$	13,868
2018		13,868
2019		13,870
2020		59,026
2021		(27,690)
Thereafter		(24,922)
	$	48,020

Membership as of the measurement date - September 30, 2015	
Inactive members or their beneficiaries currently receiving benefits	24
Inactive members entitled to, but not yet receiving benefits	10
Active members	79
	113

NOTE 8: RISK MANAGEMENT

Significant losses are covered by commercial insurance for all major programs and worker's compensation. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 9: GRANTS AND AWARDS

In the normal course of operations, the City receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as the result of these audits is not believed to be material.

NOTE 10: SUBSEQUENT EVENTS

Subsequent events related to the City have been evaluated through February 20, 2017, which is also the date of the auditor's report and the date the financial results were available to be issued.

The City entered into a general obligation warrant with the Hometown Bank of Alabama in October 2017 that is a construction-permanent loan with the maximum principal amount of $6,000,000 that has a 36 month interest only period followed by payments of principal and interest over a 25 year term. The stated rate of interest is 3.5% and the financing matures in November 2044.

NOTE 11: RESTATEMENTS

The liability in the amount of $226,404 for compensated absences has been reclassified to long-term liabilities not reported on the governmental funds balance sheet. As such, the fund balance has been increased by this amount on the governmental funds balance sheet. The reclassification had no effect on the City's beginning net position.

Required Supplementary Information

City of Oneonta, Alabama
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual

Year ended September 30, 2016	Governmental Funds	Original and Final Budget	Variance
Revenues			
Taxes	$ 5,714,085	$ 5,470,400	$ 243,685
Licenses and permits	1,038,703	944,500	94,203
Police fines	349,025	297,000	52,025
Sanitation collection fees	360,602	370,000	(9,398)
Park and recreation	149,611	145,000	4,611
Intergovernmental	764,273	113,900	650,373
Other revenues	101,017	48,500	52,517
Interest	23,737	15,000	8,737
Total Revenue	8,501,053	7,404,300	1,096,753
Expenditures			
General government	1,502,811	1,292,850	209,961
Program on aging	64,496	57,000	7,496
Inspection	169,399	179,500	(10,101)
Court	406,530	-	406,530
Police	1,605,146	1,479,700	125,446
Fire	1,292,024	1,228,700	63,324
Street	844,028	813,000	31,028
Sanitation	243,543	291,000	(47,457)
Park and recreation	692,477	540,550	151,927
Library	281,938	277,500	4,438
Capital outlay	1,147,488	367,800	779,688
Principal	730,136	60,000	670,136
Interest	241,593	5,000	236,593
Appropriations	254,560	126,250	128,310
Total Expenditures	9,476,169	6,718,850	2,757,319
Excess (Deficiency) of Revenues Over (Under) Expenditures	(975,116)	685,450	(1,660,566)
Other Financing Sources (Uses)			
Proceeds from line of credit	200,000	-	200,000
Transfer to other funds	(962,855)	(685,450)	(277,405)
Transfer from other funds	1,320,577	-	1,320,577
Total other financing sources (uses)	557,722	(685,450)	1,243,172
Excess (Deficiency) of Revenues And Other Financing Sources Over (Under) Expenditures And Other Financing Uses	(417,394)	-	(417,394)

See accompanying notes to required supplementary information.

City of Oneonta, Alabama
Schedule of Changes in the Net Pension Liability

Year ending September 30,	2014	2015
Total pension liability		
Service cost	$ 256,436	$ 262,544
Interest	623,267	664,359
Changes in benefit terms	-	-
Differences between expected and actual experience	-	(191,062)
Changes of assumptions	-	-
Benefit payments, including refunds of employee contributions	(331,639)	(400,463)
Net change in total pension liability	548,064	335,378
Total pension liability, beginning	7,956,661	8,504,725
Total pension liability, ending (a)	$ 8,504,725	$ 8,840,103
Plan fiduciary net position		
Contributions - employer	$ 228,914	$ 219,459
Contributions - member	163,887	222,424
Net investment income	678,474	75,496
Benefit payments, including refunds of employee contributions	(331,639)	(400,463)
Transfers among employers	(64,643)	15,108
Net change in plan fiducuiary net position	674,993	132,024
Plan net position, beginning	5,660,249	6,335,242
Plan net position, ending (b)	$ 6,335,242	$ 6,467,266
Net pension liability (asset) - ending (a) - (b)	2,169,483	2,372,837
Plan fiduciary net positon as a percentage of the total pension liabilty	74.49%	73.16%
Covered-employee payroll	2,804,732	3,153,178
Net pension liability as a percentage of covered-employee payroll	77.35%	75.25%

See accompanying notes to required supplementary information.

City of Oneonta, Alabama
Schedule of Employer Contributions

Year ending September 30,	2015	2016
Actuarily determined contribution	$ 228,914	$ 338,598
Contributions in relation to the actuarily determined contribution	$ 228,914	$ 338,598
Contribution deficiency (excess)	-	-
Covered-employee payroll	$ 3,153,178	$ 3,425,762
Contributions as a percented of covered-employee payroll	7.26%	9.88%

See accompanying notes to required supplementary information.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Budgets and budgetary accounting

The City adopts annual budgets for the general, special revenue and capital projects funds and such budgets are prepared on a basis consistent with generally accepted accounting principles. Any revisions that alter the total expenditures must be approved by the City Council. The budget of the governmental funds is presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.

Budget information presented in the financial statements is based on the final amended budget as adopted by the City Council on September 21, 2015.

b. Actuarial inputs

Actuarially determined contributions rates are calculated as of September 30, two years prior to the end of the fiscal year in which contributions are reported. Contributions for fiscal year 2015 were based on the September 30, 2012 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method:	Entry Age
Amortization method:	Level percent closed
Remaining amortization period:	28 years
Asset valuation method:	Five year smoothed market
Inflation:	3.00%
Salary increases:	3.75 – 7.25%, including inflation
Investment rate of return:	8.00%, net of pension plan investment expense, including inflation

c. Schedule of changes in net pension liability

The total pension liabilities presented in this schedule was provided by the Systems' actuarial consultants, Cavanaugh Macdonald Consulting, LLC. The net pension liability is measured as the total pension liability less the components of the plan net position reserved to fund the total pension liability. Those components are annuity savings and pension accumulation. The related ratios show plan net position as a percentage of the total pension liability and the net pension liability as a percentage of covered employee payroll.

d. Schedule of employer contributions

Contributions were made in accordance with actuarially determined contribution requirements. The employer contribution rate expressed as a percent of payroll is determined annually by reviewing a variety of factors including benefits promised, member contributions, investment earnings, mortality, and withdrawal experience. The employer contribution rates for fiscal year 2016 were 9.65% for tier 1 employees (hired before January 1, 2013 and 7.76% for tier 2 employees (hired after January 1, 2013).

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Supplementary Information

City of Oneonta, Alabama
Combining Balance Sheet—Other Governmental Funds

Year ended September 30, 2016	Gasoline Tax Fund	Petro Inspection Tax Fund
Assets		
Cash and cash equivalents	$ 396,465	$ 48,641
Accounts receivable	10,261	670
Due from other funds	-	-
Investments	-	-
Total assets	$ 406,726	$ 49,311
Liabilities		
Accounts payable	$ -	$ -
Total Liabilities	-	-
Fund Balance		
Restricted for:		
Capital road projects and resurfacing	-	49,311
Road maintenance and construction	406,726	-
Capital projects	-	-
Debt service	-	-
Assigned for:		
Park and recreation and charity	-	-
Total fund balance	406,726	49,311
Total liabilities and fund balance	$ 406,726	$ 49,311

Good Samaritan Fund	Park and Rec Fund	Capital Imp Fund	Debt Service Fund	Total
$ 2,964	$ 252	$ 67,513	$ -	$ 515,835
-	-	-	-	10,931
-	-	2,147	-	2,147
-	-	-	104,373	104,373
$ 2,964	$ 252	$ 69,660	$ 104,373	$ 633,286
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	-	-	-	49,311
-	-	-	-	406,726
-	-	69,660	-	69,660
-	-	-	104,373	104,373
2,964	252	-	-	3,216
2,964	252	69,660	104,373	633,286
$ 2,964	$ 252	$ 69,660	$ 104,373	$ 633,286

City of Oneonta, Alabama
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Governmental Funds

Year ended September 30, 2016	Gasoline Tax Fund	Petro Inspection Tax Fund
Revenues		
Taxes	$ 112,688	$ 9,443
Intergovernmental	-	-
Interest	3,075	373
Total Revenue	115,763	9,816
Expenditures		
Street	9,769	-
Capital outlay	14,899	-
Principal retirement	-	-
Interest	-	-
Lodging, meals, & transportation	-	-
Total expenditures	24,668	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	91,095	9,816
Other Financing Sources (Uses)		
Transfer to other funds	(5,831)	-
Transfer from other funds	-	-
Total other financing sources (uses)	(5,831)	-
Excess (Deficiency) of Revenues And Other Financing Sources Over (Under) Expenditures And Other Financing Uses	85,264	9,816
FUND BALANCES - Beginning	321,462	39,495
FUND BALANCES - Ending	$ 406,726	$ 49,311

City of Oneonta, Alabama
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Governmental Funds

Good Samaritan Fund	Park and Rec Fund	Capital Imp Fund	Debt Service Fund	Total
$ -	$ -	$ -	$ -	$ 122,131
1,658	-	59,608	-	61,266
21	-	246	-	3,715
1,679	-	59,854	-	187,112
-	-	-	-	9,769
-	-	141,094	-	155,993
-	-	-	645,000	645,000
-	-	-	204,883	204,883
519	-	-	-	519
519	-	141,094	849,883	1,016,164
1,160	-	(81,240)	(849,883)	(829,052)
-	-	(59,608)	-	(65,439)
-	-	-	897,416	897,416
-	-	(59,608)	897,416	831,977
1,160	-	(140,848)	47,533	2,925
1,804	252	210,508	56,840	630,361
$ 2,964	$ 252	$ 69,660	$ 104,373	$ 633,286

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APPENDIX C

Form of Disclosure Dissemination Agent Agreement

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DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated _____ __, 2018, is executed and delivered by The City of Oneonta (the "Issuer" or the "City") and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the, Warrrants (hereinafter defined) and in order to assist the Issuer in processing certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system .and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer's behalf regarding the "issuance of municipal securities" or any " municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a "Municipal Advisor" as such term is defined in Section 15B of the Securities Exchange Act of 1934; as amended, and related rules.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set in Sections 2(a) and 2(f) hereof; by which the Annual Report is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(S)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Annual Report" means an Annual Report of either the City or the Board, as the case may be, containing Annual Financial Information described in and consistent with Section 3 of this Disclosure Agreement.

"Audited Financial Statements" means the annual financial statements of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(S)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall

accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Warrants and the 9-digit CUSIP numbers for all Warrants to which the document applies.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof

"Disclosure Representative" means (i) with respect to the Issuer, Kevin Fouts, City Clerk of the City and Treasurer of the Issuer, or his designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Failure to File Event" means the Issuer's failure to file an Annual Report on or before the Annual Filing Date.

"Force Majeure Event" means: (i) acts of God, war, or terrorist action; (ii) failure or shut down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of- its obligations under this Disclosure Agreement.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Warrants (including persons holding Warrants through nominees, depositories or other intermediaries) or (b) treated as the owner of any Warrants for federal income tax purposes.

"Information" means collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section I5 (b)(l) of the Securities Exchange Act of 1934.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

"Obligated Person" means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Warrants (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

"Official Statement" means that Official· Statement prepared by the Issuer in connection with the Warrants, as listed in Exhibit A.

"Trustee" means the institution, if any, identified as trustee in the document under which the Warrants were issued.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(l) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(l) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

"Warrants" means the Warrants as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of its Annual Report and Certification to the Disclosure Dissemination Agent, in each case not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of each Annual Report and Certification, the Disclosure Dissemination Agent shall provide each such Annual Report to the MSRB not later than the 30th day of June following the end of each fiscal year of the Issuer, commencing with the fiscal year ended September 30, 2018. Such date and each anniversary thereof is the Annual Filing Date.· Each Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of each Annual ·Report and Certification, the Disclosure Dissemination Agent shall 'contact each respective Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the respective Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the respective Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a

Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 10:00 a.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB for the respective Obligated Person in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheetcompleted by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when such Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, if any, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) hereof (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

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, IRS notices or events affecting the tax status of the security;"

7. "Modifications to rights of securities holders, if material;"

8. "Bond calls, if material;"·

9. "Defeasances;"

10. "Release, substitution, .or sale of property securing repayment of the securities, if material;"

11. "Rating changes;"

12. "Tender offers;"

13. "Bankruptcy, insolvency, receivership or similar event of the obligated person;"

14. "Merger, consolidation, or acquisition of the obligated person, if material;" and

15. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"

(v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;·

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) hereof with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement."

1. "amendment to continuing disclosure undertaking;"

2. "change in obligated person;"

3. "notice to investors pursuant to bond documents;"

4. "certain communications from the Internal Revenue Service;" other than those communications included in the Rule;

5. "secondary market purchases;"

6. "bid for auction rate or other securities;"

7. "capital or other financing plan;"

8. "litigation/enforcement action;"

9. "change of tender agent, remarketing agent, or other on-going party;"

10. "derivative or other similar transaction;" and

11. "other event-based disclosures;"

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. "quarterly/monthly financial information;"

2. "Timing of -annual disclosure (120/150 days);"

3. "change in fiscal year/timing of annual disclosure;"

4. "change in accounting standard;"

5. "interim/additional financial information/operating data;"

6. "budget;"

7. "investment/debt/financial policy;"

8. "information provided to rating agency, credit/liquidity provider or other third party;"

9. "consultant report;" and

10. "other financial/operating data."

(viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) arid the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Anything in this Disclosure Agreement to the contrary notwithstanding, any Information received by the Disclosure Dissemination Agent before 10:00 a.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report of the Issuer shall contain Annual Financial Information with respect to the Issuer, including the following information:

(A) the statement of revenues, expenditures and changes in. fund balances for all governmental funds of the City, in format substantially similar to the table shown in the Official Statement;

(B) a description of the outstanding general obligation indebtedness of the City as of September 30 for the prior year, in format substantially similar to the table shown in the Official Statement;

(C) collections of the Gross Receipts Tax and the Use Tax, in format substantially similar to the table shown in the Official Statement;

(D) collections of business licenses and permits, in format substantially similar to the table shown in the Official Statement;

(E) to the extent available from applicable taxing authorities, the net assessed value of taxable properties in the City, in format substantially similar to the table shown in the Official Statement;

(b) Audited Financial Statements as described.in the Official Statement for the City will be included in the respective Annual Report. If audited financial statements are not available, then unaudited financial statements, prepared in accordance with GAAP as

described in the Official Statement will be included in the respective Annual Report. In such event, Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the City is an "obligated person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City will clearly identify each such document so incorporated by reference.

If the Annual Financial Information contains modified operating data or financial information different from the Annual Financial Information agreed to in the continuing disclosure undertaking related to the Warrants, the City is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

1. SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Warrants constitutes a Notice Event:

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 or determinations with respect to the tax status of the Warrants, or other material events affecting the tax status of the Warrants;

7. Modifications to rights of Bond holders, if material;

8. Bond call, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Warrants, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

    Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or govem1:nental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, 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 Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, 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.

The Issuer shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event th.at may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not

later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. The Issuer will provide the Dissemination Agent with the CUSIP numbers for (i) new Warrants at such time as they are issued or become subject to the. Rule and (ii} any Warrants to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Warrants.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section. 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof.

This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financia1 Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e) (vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) hereof to file a Voluntary Financial Disclosure, the Disclosure Dissemination, Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Warrants upon the legal defeasance, prior redemption or payment in full of all of the Warrants, when the Issuer is no longer an obligated person with respect to the Warrants, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure· Agreement. The Issuer may upon thirty days written notice from each such party to the Disclosure Dissemination Agent and the Trustee, replace ***oi*** appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure

Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Warrants. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Warrants or under any other document relating to the Warrants, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information: to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall .have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer, the City or the Board and shall not be deemed to be acting in any fiduciary capacity for the Issuer the Holders of the Warrants or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof

(b) The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Warrants.

(c) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(d) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Warrants and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee, if any, for the Warrants, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Warrants, and shall create no rights in any other person or entity.

SECTION 14: Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the Issuer have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

By: CITY OF ONEONTA, ALABAMA
as Issuer

By: _____
Name: _____
Title: _____

EXHIBIT A

NAME AND CUSIP NUMBERS OF WARRANTS

Name of Issuer:	The City of Oneonta
Obligated Person(s):	City of Oneonta, Alabama
Name of Bond Issue:	General Obligation Warrants, Series 2018
Date of Issuance:	
Date of Official Statement:	

CUSIP Number:	CUSIP Number:
CUSIP Number:	CUSIP Number:
CUSIP Number:	CUSIP Number:
CUSIP Number:	CUSIP Number:
CUSIP Number:	CUSIP Number:
CUSIP Number:	CUSIP Number:
CUSIP Number:	

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer: **[B1]**_____

Obligated Person: **[B2]**_____

Name(s) of Bond Issue(s): **[B3]**_____

Date(s) of Issuance: **[B4]**_____

Date(s) of Disclosure **Agreement:** **[BS]**_____

CUSIP Number: **[B6]**_____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. [The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by [B7]_____]

Dated: **[B8]**_____

Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent, on behalf of the Issuer

_____

cc: **[B9]**
[B1O]

EXHIBITC-1
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" may be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:
[CI] _____

Issuer's Six-Digit CUSIP Number:
[C2] _____
_____

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:
[C3] _____

Number of pages _attached: **[C4]**_____

_____ Description of Notice Events (Check One): **[C5]**

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 cred enhancements reflecting financial difficulties;"
5._____"Substitution of credit or liquidity providers, or their failure to perform;"
6._____"Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7._____"Modifications to the rights of securities holders, if material;"
8._____"Bond calls, if material;"
9._____"Defeasances;"
10._____"Release, substitution, or sale of property securing repayment of the securities, if material;"
11._____"Rating changes;"
12._____"Tender offers;"
13._____"Bankruptcy, insolvency, receivership or similar event of the obligated person;"
14._____"Merger, consolidation, or acquisition of the obligated person, if material;" and
15._____"Appointment of a successor or additional trustee, or the change of name of a trustee, if material."

_____ Failure to provide annual financial information as required. **[C6]**

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: **[C7]**_____ Title: **[C8]** _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date: **[C9]**

EXHIBITC-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "'voluntary event disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of **[C1O]** between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

[Cl]_____

Issuer's Six-Digit CUSIP Number:

[C2]_____
_____

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

[C3]_____

Number of pages attached: **[C4]**_____

_____Description of Voluntary Event Disclosure (Check One): **[C11]**

1._____"amendment to continuing disclosure undertaking;"
2._____"change in obligated person;"
3._____"notice to investors pursuant to bond documents;"
4._____"certain communications from the Internal Revenue Service;"
5._____"secondary market purchases;"
6._____"bid for auction rate or other securities;"
7._____"capital or other financing plan;"
8._____"litigation/enforcement action;"
9._____"change of tender agent, remarketing agent, or other on-going party;"
10._____"derivative or other similar transaction;" and
11._____"other event-based disclosures."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: **[C7]**_____ Title: **[C8]** _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date: **[C9]**

EXHIBITC-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of **[C9]** _____ between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

[Cl]_____

Issuer's Six-Digit CUSIP Number:

[C2]_____

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

[C3]_____

Number of pages attached: **[C4]**_____

_____ Description of Voluntary Financial Disclosure (Check One): **[C12]**

1._____"quarterly/monthly financial information;"
2._____"change in fiscal year/timing of annual disclosure;"
3._____"change in accounting standard;"
4._____"interim/additional financial information/operating data;"
5._____"budget;"
6._____"investment/debt/financial policy;"
7._____"information provided to rating agency, credit/liquidity provider or other third party;"
8._____"consultant reports;" and
9._____"other financial/operating data."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: **[C7]**_____ Title: **[C8]** _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date: **[C9]**

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APPENDIX D

Specimen Bond Insurance Policy

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $_____ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _____

Risk Premium: $_____
Member Surplus Contribution: $_____
Total Insurance Payment: $_____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

SPECIMEN

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

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Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

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