

**TOBYHANNA TOWNSHIP  
NEIGHBORHOOD IMPROVEMENT DISTRICT  
TOBYHANNA TOWNSHIP, PENNSYLVANIA**

**ANNUAL ASSESSMENT REPORT AND  
AMENDMENT OF THE ASSESSMENT ROLL FOR  
IMPOSITION OF AND COLLECTION OF ASSESSMENTS IN 2018**

Prepared By:

**MUNICAP, INC.**

February 15, 2018

**Tobyhanna Township  
Neighborhood Improvement District  
Tobyhanna Township, Pennsylvania**

**Annual Assessment Report and  
Amendment of the Assessment Roll for  
Imposition and Collection of Assessments in 2018**

**INTRODUCTION**

The Tobyhanna Township Project is located within the County of Monroe, Pennsylvania (the "County"), the Township of Tobyhanna, Pennsylvania (the "Township") and the Pocono Mountain School District (the "School District"), (collectively, the "Taxing Bodies"). The Tobyhanna Township Project is within the Tobyhanna Township Tax Increment Financing District (the "TIF District") and the Tobyhanna Neighborhood Improvement District (the "NID") (collectively the "District"). The Township Board of Supervisors adopted Ordinance No. 503 on June 3, 2013, which created the TIF District. The NID was created pursuant to the Pennsylvania Neighborhood Improvement District Act (P.L. 949, No. 130 of December 9, 2000, Section 1 *et seq.*) (the "NID" Act) (the TIF Act and the NID Act are herein collectively referred to as the "Acts") and an ordinance of the Township Board adopted October 23, 2013 (the "Ordinance").

Monroe County Industrial Development Authority (the "Authority") issued \$26,000,000.00 of Special Obligation Revenue Bonds on April 24, 2014 (the "2014 Bonds") related to the Tobyhanna Township Project pursuant to the provisions of the Pennsylvania Economic Development Financing Law, the Act of August 23, 1967, P.L. 251, as amended (the "Economic Development Financing Law"), the Pennsylvania Tax Increment Financing Act (P.L. 465, approved July 11, 1990, 53 P.S. § 6930.1 *et seq.*, as amended) (the "TIF Act"), a Trust Indenture, dated as of April 1, 2014 (the "Trust Indenture"), by and between the Authority and Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

The 2014 Bonds and interest thereon are secured by and payable solely from a percentage of the proceeds of tax collections arising from the taxation by each of the Taxing Bodies of the increase, if any, in the assessed value of real property located in the TIF District (the "Tax Increment Revenues" or the "TIF Revenues") less amounts payable to the respective Taxing Bodies as provided in the Cooperation Agreement and, to the extent the Tax Increment Revenues are insufficient, from the NID Revenues payable under the Pledge Agreement, which include Special Assessments levied on the benefited parcels within the NID, including any District Revenues (collectively, the "Tax Increment Revenues" and the "NID Revenues") recovered by the Taxing Bodies from the proceeds of the sale or redemption of any property in the District subject to sale by any of the Taxing Bodies for nonpayment of property taxes and or Special Assessments, and from amounts held in certain funds pursuant to the Trust Indenture.

The Special Assessments have been imposed on the assessed property within the NID pursuant to the NID Ordinance. The Special Assessments are equal to the interest and principal on the 2014 Bonds and estimated administrative expenses related to the 2014 Bonds. The Special Assessments are due and payable each Assessment Year as the Annual Installment. An Annual Credit may be applied to the Annual Installment each Assessment Year. The Annual Credit consists of Tax Increment Revenues produced by a Parcel and available to pay expenses related to the bonds. The resulting amount is equal to the Annual Payment, which is to be collected from each Parcel of the assessed property in the District.

The Special Assessment Roll identifies the tax parcels in the District, the Special Assessment allocated to each Parcel, the Annual Installment for each year, and other information relevant to the collection of the Special Assessments. The Special Assessment Roll is to be updated each year to reflect the changes in the assessment roll, including identification of the Annual Payment to be collected each year from each Parcel, as well as Parcel subdivisions and reallocation of the Special Assessments required as a result of the subdivision of any Parcel. This report has been prepared to explain the calculation of the Annual Payment and the update of the Special Assessment Roll for the imposition and collection of Special Assessments in calendar year 2018 (the "Assessment Year 2018").

## TRUSTEE ACCOUNTS

The Trustee for the 2014 Bonds is The Bank of New York Mellon Trust Company, N.A. The account balances as of December 31, 2016, investment income, additional proceeds, transfers, disbursements, and account balances as of December 31, 2017 are shown in Table A below.

**Table A**  
**Trustee Accounts**

Account/Fund	Balance 12/31/2016	Investment Income	Additional Proceeds	Transfers	Disburse- ments	Balance 12/31/2017
Project Fund	\$1,206,645	\$688	\$0	\$0	\$1,206,645	\$688
Project Fund - Sewer Account	\$52,036	\$30	\$0	\$0	\$51,922	\$144
Project Fund - Access Road Account	\$22	\$0	\$0	\$0	\$0	\$22
Revenue Fund - Tax Increment Account	\$1,904,212	\$5,923	\$505,384	(\$2,415,041)	\$0	\$478
Revenue Fund - Assessment Account	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service Fund	\$0	\$0	\$0	\$1,390,313	\$1,390,313	\$0
Capitalized Interest Account	\$76	\$0	\$0	(\$76)	\$0	\$0
Debt Service Reserve Fund	\$2,592,986	\$17,082	\$0	(\$5,252)	\$0	\$2,604,816
Surplus Fund	\$1,065,730	\$4,676	\$0	\$994,804	\$890,313	\$1,174,897
Administrative Expense Fund	\$11,965	\$121	\$0	\$35,252	\$28,735	\$18,603
Rebate Fund	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$6,833,672</b>	<b>\$28,520</b>	<b>\$505,384</b>	<b>\$0</b>	<b>\$3,567,928</b>	<b>\$3,799,648</b>

- Additional proceeds to the Revenue Fund – Tax Increment Account represent Tax Increment Revenues remitted by the Township and County.
- The disbursement from the Project Fund represents payment to the Developer related to requisition number 18.
- The disbursement from the Project Fund – Sewer Account represents payment to the Developer related to requisition number 15.
- The disbursement from the Debt Service Fund represents the payment of debt service on the 2014 Bonds.
- The disbursement from the Surplus Fund represents payment of debt service on the 2014 Bonds.
- Disbursements from the Administrative Expense Fund represent payments of administrative expenses.

Bond proceeds in the various accounts established by Article IV of the Indenture are invested in Goldman Financial Square money market funds earning between approximately 0.42 and 1.01 percent. Table B provides a listing of the funds and accounts and their approximate rates of return as of December 31, 2017.

**Table B**  
**Rates of Return**

Account/Fund	Rates of Return
Project Fund	1.01%
Project Fund - Sewer Account	0.42%
Revenue Fund - Tax Increment Account	0.88%
Debt Service Reserve Fund	0.95%
Surplus Fund	0.95%
Administrative Expense Fund	0.97%

According to Article IV of the Trust Indenture dated as of April 1, 2014, investment income on the Project Funds will be used for the purposes of the accounts. Investment income earned on the Revenue Fund will be used for the purpose of the accounts. Investment income earned on the Capitalized Interest Account will be retained in the account and will be used to exclusively to pay debt service on the 2014 Bonds. If the amount on deposit in the Debt Service Reserve Fund exceeds the Reserve Requirement, the Trustee will transfer the excess first, upon written request of the Issuer prior to completion of the Project, to the Capitalized Interest Account of the Debt Service Fund, the Project Fund or the Administrative Fund, and thereafter the Debt Service Fund. Investment income earned on the Administrative Expense Fund will remain in the Administrative Expense Fund and will be used for the purposes of the fund.

**ANNUAL INSTALLMENT**

The Annual Installment is the portion of the Special Assessment set forth in the Special Assessment Roll that represents the amount that may be collected each Assessment Year pursuant to the provisions herein. The Annual Installment for each Parcel shall be calculated pursuant to Section D of the Rate and Method of Apportionment of Special Assessments (the "RMA"). The Annual Installment for each year as shown on the Special Assessment Roll may be revised by the Neighborhood Improvement District Management Authority (the "NIDMA") to better match the debt service on the 2014 Bonds and Administrative Expenses as long as the total of the Special Assessment is not exceeded. The Annual Installment imposed for collection in the Assessment Year beginning 2018 is equal to \$2,440,000.00. The Annual Installment is collected each year as the Annual Payment. The Annual Payment to be collected is zero.

The NIDMA may update the Annual Installments shown for each Assessment Year in the Special Assessment Roll. Accordingly, the Annual Installment for the 2018 Assessment Year as shown in the Special Assessment Roll is set to equal the Annual Payments to be collected. The Annual Installments in total may not be increased, so the Annual Installments for subsequent years is increased to offset the decrease in 2018. The Special Assessment Roll as revised is attached hereto as Appendix A-2. The Annual Installment is collected each year as the Annual Payment.

**ANNUAL PAYMENT**

The Annual Payment shall be paid each year for any Parcel for which the Special Assessment has not been paid in full in an amount equal to the lesser of (i) the Annual Installment for the Parcel and (ii) an amount calculated pursuant to the formula on the following page.

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

- A = the Annual Payment for the Parcel;
- B = the Annual Revenue Requirement for the Assessment Year for which the Annual Payment is being calculated;
- C = the Adjusted Annual Installment for the Parcel; and
- D = the Adjusted Annual Installment for all Parcels.

***Annual Revenue Requirement***

The Annual Revenue Requirement is defined as “for any Assessment Year, the sum of the Annual Obligations less Available Funds.”

***Annual Obligations***

Annual Obligations is defined as “for any Assessment Year, an amount equal to the following: 1) debt service on the Bonds to be paid from the Annual Payments and 2) Administrative Expenses.”

***Available Funds***

Available Funds is defined as “for each Assessment Year, the following to the extent available to pay Annual Obligations: 1) Tax Increment Revenues available to be applied to the Annual Revenue Requirement; 2) any credits to be applied under the Trust Indenture, such as capitalized interest or interest earnings on any account balances, and 3) any other funds available to be applied to Annual Obligation.”

The Annual Revenue Requirement for Assessment Year 2018 is zero. Table C on the following page provides a summary of the Annual Revenue Requirement for the Assessment Year 2018. Each of these numbers is explained in the following sections.

**Table C**  
**Annual Revenue Requirement**

<b>Annual Obligations</b>	
<i>Debt Service on the 2014 Bonds</i>	
Interest on January 1, 2019	(\$852,500)
Interest on July 1, 2019	(\$852,500)
Principal on July 1, 2019	(\$700,000)
<i>Sub-total debt service</i>	(\$2,405,000)
Administrative expense budget for Assessment Year 2018	(\$35,000)
<b>Total Annual Obligations</b>	<b>(\$2,440,000)</b>
<b>Estimated Available Funds</b>	
<i>Total estimated Available Funds</i>	
Estimated Reserve Fund investment income through July 1, 2019	\$24,130
Estimated pledged TIF Revenues collected in 2018	\$2,381,714
Available balance of the Debt Service Fund as of December 31, 2017	\$0
Surplus from prior year	\$765,938
<b>Total Estimated Available Funds</b>	<b>\$3,171,782</b>
<b>Annual Revenue Requirement</b>	<b>\$0</b>

*Debt Service*

Debt service on the 2014 Bonds includes interest payable on January 1, 2019 and July 1, 2019. The semi-annual interest payments are equal to six months of interest on the outstanding principal outstanding of \$24,800,000.00 at 6.875 percent. As a result, the interest payments due on January 1, 2019 and July 1, 2019 are equal to \$852,500.00 each.

A principal payment in the amount of \$700,000.00 is due on the 2014 Bonds on July 1, 2019. As a result, total debt service is equal to \$2,405,000.00 (\$852,500.00 + \$852,500.00 + \$700,000.00 = \$2,405,000.00).

*Administrative Expenses*

As shown in Table D below, the administrative expense budget for Assessment Year 2018 is estimated to be \$35,000.00. Administrative expenses include payments to the Trustee and Administrator, and the expenses of the Authority and the NIDMA related to the District.

**Table D**  
**Administrative Expenses Budget**

Authority (MCIDA)	\$10,000
Trustee (BNY Mellon)	\$1,600
TIF & NID Administrator (MuniCap)	\$15,000
NIDMA	\$1,700
Contingency	\$6,700
<b>Estimated Administrative Expenses</b>	<b>\$35,000</b>

*Debt Service Reserve Fund Investment Income*

Pursuant to Section 1.01 of the Trust Indenture dated April 1, 2014, the Reserve Requirement equals the lesser of (i) ten percent of the 2014 Bonds Outstanding, (ii) the maximum annual debt service on the 2014 Bonds, or (iii) 125 percent of the average annual debt service on the 2014 Bonds. As of January 1, 2018, the 2014 Bonds Outstanding was equal to \$25,400,000.00. As a result, the current Reserve Requirement is equal to \$2,540,000.00 ( $\$25,400,000.00 \times 10\% = \$2,540,000.00$ ).

As of December 31, 2017, the balance in the Debt Service Reserve Fund was \$2,604,815.59, which is equal to the current Reserve Requirement of \$2,540,000.00 plus excess funds of \$64,815.59. The balance of the Debt Service Reserve Fund is invested in a Goldman Financial Square money market fund earning approximately 0.95 percent. At this rate of return, an additional \$12,065.00 in investment income is expected to be earned through July 1, 2018. As a result, \$76,880.59 ( $\$64,815.59 + \$12,065.00 = \$76,880.59$ ) will be made available to pay debt service on the 2014 Bonds on July 1, 2018.

As of July 2, 2018, the balance in the Debt Service Reserve Fund will be \$2,540,000.00, which is equal to the Reserve Requirement. As mentioned above, the Debt Service Reserve Fund is currently earning an average of approximately 0.95 percent. At this rate of return, \$24,130.00 in investment income is expected to be earned through July 1, 2019 as shown in Table E below. This amount will be available to pay debt service through July 1, 2019.

**Table E**  
**Debt Service Reserve Fund – Estimated Investment Income**

Debt Service Reserve Fund Balance as of July 2, 2018	\$2,540,000
Investment income estimated through July 1, 2019	\$24,130

*Estimated Tax Increment Revenues*

Pursuant to the Cooperation Agreement dated April 1, 2014 (the “Cooperation Agreement”), the Authority, and the Taxing Bodies have agreed that certain incremental real Tax Increment Revenues derived from real property comprising the Phase I Resort located within the TIF District from and after the date of creation of the TIF District will be used to pay debt service on the 2014 Bonds and certain related charges.

Pursuant to the Cooperation Agreement and the Trust Indenture, one-hundred percent (100 percent) of the net Tax Increment Revenues collected each year are due to the Authority and pledged to secure the 2014 Bonds and shall be deposited into the Tax Increment Fund. The Tax Increment Revenues consist of one-hundred percent of the real property taxes collected with respect to the Phase I Resort in the TIF District in excess of the base value.

Pursuant to the Cooperation Agreement, in the event that improvements other than the Phase I Resort are built within the District, the value of the Phase I Resort shall be calculated pursuant to the following formula plus the value of the land of any Parcels in the TIF District.

$$A = (B \div C) \times C$$

Where the terms have the following meanings:

- A = the value of the Phase I Resort;
- B = the value of the Parcel prior to any increase in value related to New Improvements;
- C = the total value of the Parcel after any increase in value related to New Improvements

As of December 31, 2017, the Developer has confirmed that a portion of the Phase II and III Development have been completed. Accordingly, the value of the Phase I Resort has been determined pursuant to the above formula.

As of January 1, 2017, the assessed value of the parcel in the TIF District was equal to \$14,212,620.00. As of January 1, 2018, the assessed value of the Parcel in the TIF District was equal to \$22,650,170.00. As a result, the assessed value attributable to the Phase I Resort pursuant to the methodology outlined in Section 18 of the Cooperation Agreement is equal to \$14,212,620.00 ( $\$14,212,620.00 = (\$14,212,620.00 \div \$22,650,170.00) \times \$22,650,170.00$ ).

The base value of the taxable property in the TIF District, as established on August 1, 2013 (the "Base Date"), was \$60,636.00. As a result, the incremental assessed value is estimated to equal \$14,151,984.00 ( $\$14,212,620.00 - \$60,636.00 = \$14,151,984.00$ ). The real property taxes to be collected from each taxable Parcel in the TIF District are shown in Exhibit A, which is attached hereto along with schedules from the Monroe County website.

Taxable property in Monroe County is subject to real property taxes imposed by three separate Taxing Bodies: the County, Township and School District. Property owners may receive a two percent discount on their real property tax bills each year if payments are received by a certain date. The millage rates for each of the three Taxing Bodies and the estimated TIF Revenues are shown in Table F below. The estimated TIF Revenues, resulting from the incremental value, that are to be collected in 2018 are estimated to be \$2,381,713.81.

**Table F**  
**Estimated TIF Revenues – Collected in 2018**

<b>Taxing Bodies</b>	<b>County</b>	<b>Township<sup>1</sup></b>	<b>School District</b>	<b>Total</b>
Real Property Tax Rate (mills)	21.25	15.19	135.29	171.73
Total Assessed Value @ 01/01/18	\$22,650,170	\$22,650,170	\$22,650,170	\$22,650,170
Phase II Assessed Value @ 01/01/18	(\$8,437,550)	(\$8,437,550)	(\$8,437,550)	(\$8,437,550)
Assessed Value of Phase I Resort @ 01/01/18	\$14,212,620	\$14,212,620	\$14,212,620	\$14,212,620
Base Year Assessed Value	(\$60,636)	(\$60,636)	(\$60,636)	(\$60,636)
Estimated Total Tax Increment Revenues	\$14,151,984	\$14,151,984	\$14,151,984	\$14,151,984
<i>Percent of Tax Increment Revenues Collected</i>	98%	98%	98%	98%
Total Tax Increment Revenues Collected	\$294,715	\$210,669	\$1,876,329	\$2,381,714
<i>Percent of TIF Revenues paid to Taxing Bodies</i>	0%	0%	0%	0%
Estimated TIF Revenues to Taxing Bodies	\$0	\$0	\$0	\$0
<b>Estimated TIF Revenues to Authority</b>	<b>\$294,715</b>	<b>\$210,669</b>	<b>\$1,876,329</b>	<b>\$2,381,714</b>

<sup>1</sup>Includes the Library millage rate of 0.7500.



*Debt Service Fund*

As of December 31, 2017, the balance in the Debt Service Fund was zero. As a result, there are no additional funds held in the account to be applied to pay debt service on the 2014 Bonds during the Assessment Year 2018. Estimated TIF Revenues collected in Assessment Year 2018, as described above, will be transferred to the Debt Service Fund pursuant to Section 4.03 of the Trust Indenture on each debt service payment date.

*Surplus from Prior Year – Assessment Year 2017*

The estimated surplus from the prior year may be applied to pay debt service and administrative expenses in Assessment Year 2018. As shown in Table G below, the surplus available to pay Annual Obligations in Assessment Year 2017 is estimated to be \$765,938.33.

**Table G  
Surplus from Prior Year**

<b>Annual Obligations</b>	
<i>Debt Service on the 2014 Bonds</i>	
Interest on January 1, 2018	(\$873,125)
Interest on July 1, 2018	(\$873,125)
Principal on July 1, 2018	(\$600,000)
<i>Sub-total debt service</i>	(\$2,346,250)
Administrative expense budget for Assessment Year 2017	(\$35,000)
<b>Total Annual Obligations</b>	<b>(\$2,381,250)</b>
<b>Estimated Available Funds</b>	
<i>Total available revenues</i>	
Revenue Fund - Tax Increment Account balance as of December 31, 2017	\$478
School District TIF Revenues transferred in January 2018	\$1,876,329
Surplus Fund balance as of December 31, 2017	\$1,174,898
Capitalized Interest Account Fund balance as of December 31, 2017	\$0
Excess Debt Service Reserve Funds balance as of December 31, 2017	\$64,816
Estimated Reserve Fund investment income through July 1, 2018	\$12,065
Administrative Expenses Fund balance as of December 31, 2017	\$18,602
<b>Total Estimated Available Funds</b>	<b>\$3,147,188</b>
<b>Surplus Revenues Available</b>	<b>\$765,938</b>

*Debt Service*

Debt service includes an interest payment in the amount of \$873,125.00 payable on January 1, 2018 and July 1, 2018. The interest payable is equal to interest for six months on the outstanding principal amount of the 2014 Bonds of \$25,400,000.00 at 6.875 percent. There is a principal payment due on July 1, 2018 of \$600,000.00. As a result, the total amount of debt service to be paid is \$2,346,250.00 ( $\$873,125.00 + \$873,125.00 + \$600,000.00 = \$2,346,250.00$ ).

*Administrative Expenses*

As of December 31, 2017, the balance in the Administrative Expense Fund was \$18,602.24. The administrative expenses for Assessment Year 2017 were estimated to be \$35,000.00.

*Tax Increment Revenues Collected in 2017*

As of December 31, 2017, the balance in the Revenue Fund – Tax Increment Account was \$478.46, which represents investment income. The Tax Increment Revenues collected in 2017 and remitted to the Trustee by the Township and the County of \$505,384.14 were transferred to the Surplus Account along with a portion of the Assessment Year 2016 Tax Increment Revenues remitted to the Trustee by the School District of \$659,907.12 and investment income of \$5,589.48. According to the Trustee, the Tax Increment Revenues collected by the School District for Assessment Year 2017 in the amount of \$1,876,329.48 were remitted to the Trustee on January 5, 2018.

*Surplus Fund*

Pursuant to Section 4.03(c) of the Trust Indenture, each July 15, commencing with July 15, 2016, any remaining funds in the Tax Increment Account are to be transferred to the Surplus Fund. As of December 31, 2017, the balance in the Surplus Fund was \$1,174,897.56. As a result, the funds deposited in the Surplus Fund of \$1,174,897.56 are available to pay debt service on the 2014 Bonds during Assessment Year 2017.

*Capitalized Interest*

As of December 31, 2017, the balance in the Capitalized Interest Account was zero.

*Debt Service Reserve Fund Earnings*

As mentioned previously, the Reserve Requirement is equal to \$2,540,000.00. As of December 31, 2017, the balance in the Debt Service Reserve Fund was \$2,604,815.59, which includes the Reserve Requirement of \$2,540,000.00 plus excess funds in the amount of \$64,815.59. As mentioned previously, estimated investment income in the Debt Service Reserve Fund of \$12,065.00 will be earned through July 1, 2018. As shown in Table H below, these funds will be used to pay a portion of the debt service due in Assessment Year 2017.

**Table H**  
**Debt Service Reserve Fund – Estimated Investment Income**

Debt Service Reserve Fund balance as of December 31, 2017	\$2,604,816
Debt Service Reserve Fund Requirement	\$2,540,000
Excess balance in Reserve Fund	\$64,816
Estimated investment income through July 1, 2018	\$12,065
<b>Total excess funds available through July 1, 2018</b>	<b>\$76,881</b>

*Summary of the Annual Revenue Requirement*

As shown by Table C and as explained above, the total Annual Obligations for Assessment Year 2018 are equal to \$2,440,000.00. Available Funds are equal to \$3,171,782.14. Therefore, Available Funds exceed Annual Obligations by \$731,782.14 ( $\$3,171,782.14 - \$2,440,000.00 = \$731,782.14$ ). As such, the Annual Revenue Requirement for Assessment Year 2018 is zero. As such, the amount of the Special Assessment to be billed and collected for Assessment Year 2018, the Annual Payment, is zero.

***Adjusted Annual Installment***

The Adjusted Annual Installment for each Parcel is equal to the Annual Installment for the Parcel less the Annual Credit for the Parcel.

***Annual Installment for each Parcel***

The Annual Installment for each Parcel shall be calculated pursuant to the following formula:

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

- A = the Annual Installment for the Parcel;
- B = the Annual Installments for all the Parcels in the NID for the Assessment Year as shown on the Assessment Roll;
- C = the Principal Portion of the Special Assessment for the Parcel; and
- D = the Principal Portion of the Special Assessment for all Parcels in the NID.

The Annual Installment for each Parcel, the Principal Portion of the Special Assessment for each Parcel, and the Principal Portion of the Special Assessment for all the Parcels are shown in Appendix A-3.

***Annual Credit***

The Annual Credit for each Parcel for each Assessment Year shall be equal to the Tax Increment Revenues included in the calculation of the Available Funds for that Assessment Year to be derived from that Parcel, including surplus Tax Increment Revenues from the prior Assessment Year, as long as the surplus revenues are included in the calculation of Available Funds for the Assessment Year for which the Annual Credit is being calculated (in this case, surplus Tax Increment Revenues related to a Parcel shall mean Tax Increment Revenues in excess of the Annual Installment for the Parcel).

As shown in Appendix A-2, the Annual Installment for the Assessment Year 2018 is \$2,440,000.00. The Annual Credit is equal to \$3,147,652.14. This amount is equal to the Tax Increment Revenues estimated to be collected from each parcel in Assessment Year 2018 of \$2,381,713.81 plus surplus revenues from Assessment Year 2017 in the amount of \$765,938.33. The Annual Credit for each parcel is shown in Appendix A-3. Therefore, as shown in Table I, the Adjusted Annual Installment is zero.

**Table I**  
**Summary of Adjusted Annual Installment**

Annual Installment	\$2,440,000
Less: Annual Credit	(\$3,147,652)
<b>Adjusted Annual Installment</b>	<b>\$0</b>

### ***Summary of the Annual Payment***

The Annual Payment shall be paid each year for any Parcel for which the Special Assessment have not been paid in full in an amount equal to the lesser of (i) the Annual Installment for the Parcel and (ii) an amount calculated pursuant to the following formula:

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

- A = the Annual Payment for the Parcel;
- B = the Annual Revenue Requirement for the Assessment Year for which the Annual Payment is being calculated;
- C = the Adjusted Annual Installment for the Parcel; and
- D = the Adjusted Annual Installment for all Parcels

As shown in Table C, the Annual Revenue Requirement is zero. Since there is only one Parcel, the Annual Payment for this Parcel is zero, as shown in Appendix A-3.

### **UPDATE OF THE ASSESSMENT ROLL**

The Board is to update the Special Assessment Roll each year to reflect (i) the current Parcels in the District, (ii) the Special Assessment for each Parcel, including any adjustments to the Special Assessments, (iii) the Annual Payment to be collected from each Parcel for the current Assessment Year, (iv) any changes in the Annual Installment, (v) prepayments of the Special Assessments, and (vi) any other changes to the Special Assessment Roll.

The total Special Assessment on all of the Parcels were set to equal the estimated principal amount of the bonds, interest payable on the bonds for each year, and Administrative Expenses. The Special Assessment Roll previously adopted by the NIDMA in the NID Plan had estimated the issuance of \$24,500,000.00 in bonds at a 7.000 percent interest rate. The total amount of the approved Special Assessment is \$49,017,659.00.

Pursuant to the Resolution adopted on November 27, 2013, the Authority authorized the issuance of the 2014 Bonds in the maximum aggregate principal amount of \$26,000,000.00. Pursuant to the Limited Offering Memorandum dated April 9, 2014, the 2014 Bonds were issued in the amount of \$26,000,000.00 at a 6.875 percent interest rate.

Pursuant to the definition of the Annual Installment in the RMA, the Annual Installment for each year may be revised by the NIDMA to better match the debt service on the 2014 Bonds and Administrative Expenses as long as the total of the Special Assessment is not exceeded. The Annual Installments in the Special Assessment Roll (as attached hereto) have been reallocated to better match the actual principal amount of the 2014 Bonds, the interest rate paid on the 2014 Bonds and the Administrative Expenses. As stated prior, for the Assessment Year 2018 and for each prior year shown, the Annual Installment is equal to the Annual Payment. The difference between the Annual Installment and the Annual Payment for those years, have been reallocated to Assessment Years 2018 through 2032, such that the sum of the Annual Installments is equal to \$49,017,659.00, which was the approved Special Assessment amount adopted in the NID Plan.

The revised Special Assessment Roll is appended to this report as Appendix A-2 and Appendix A-3.

*Summary*

The Special Assessment Roll, attached hereto as Appendices A-1, A-2 and A-3 has been amended to reflect the Special Assessments and Principal Portion of the Special Assessments.

Appendix A-1 shows the Special Assessment Roll that was last adopted by the NIDMA Board. This Special Assessment Roll has been updated pursuant to the provisions in the RMA to reflect the actual Annual Obligations in each year. Furthermore, the Special Assessment Roll shown in Appendix A-1 has been updated, as shown in Appendix A-2, to reflect the Annual Payments for Assessment Years 2013 through 2018. The difference in the Annual Installments for Assessment Years 2013 through 2018 shown in Appendix A-1 and the Annual Payments for Assessment Years 2013 through 2018 shown in Appendix A-2 is equal to \$57,150.02. This amount has been reallocated to future Assessment Years in the event that additional bonds will be issued or if the current bonds are refinanced.

The Annual Installments for each Assessment Year, along with the sum of the Annual Credits and Annual Payments for all Parcels, are shown in Appendix A-1. The Annual Installment for each Parcel, along with the Annual Credit and Annual Payment for Assessment Year 2018, are show in Appendix A-3.

**Tobyhanna Township Neighborhood Improvement District  
Tobyhanna Township, Pennsylvania**

**Exhibit A**

**Estimated Tax Increment Revenues  
Assessment Year 2018**

<b>PIN Number</b>	<b>Base Year Assessed Value</b>	<b>Assessment Year 2018 Assessed Value of Phase I Resort<sup>1</sup></b>	<b>Assessment Year 2018 Incremental Assessed Value Phase 1 Resort</b>	<b>Assessment Year 2018 Estimated TIF Revenues (Annual Credit)</b>
19635400083556	\$60,636	\$14,212,620	\$14,151,984	\$3,147,652
<b>Total</b>	<b>\$60,636</b>	<b>\$14,212,620</b>	<b>\$14,151,984</b>	<b>\$3,147,652</b>

<sup>1</sup>Pursuant to the Cooperation Agreement, only the incremental assessed value attributable to the Phase I Resort is pledged to secure the 2014 Bonds.

**Tobyhanna Township Neighborhood Improvement District  
Tobyhanna Township, Pennsylvania**

**Appendix A-1**

**Adopted Special Assessment Roll**

<b>Assessment Year Beginning</b>	<b>Total Principal</b>	<b>Total Interest</b>	<b>Trustee and Administrative Expenses</b>	<b>Annual Installments</b>
2013	\$0	\$0	\$0	\$0
2014	\$0	\$0	\$0	\$0
2015	\$100,000	\$1,787,500	\$41,616	\$1,929,116
2016	\$500,000	\$1,780,625	\$42,448	\$2,323,073
2017	\$600,000	\$1,746,250	\$43,297	\$2,389,547
2018	\$700,000	\$1,705,000	\$44,163	\$2,449,163
2019	\$800,000	\$1,656,875	\$45,046	\$2,501,921
2020	\$900,000	\$1,601,875	\$45,947	\$2,547,822
2021	\$1,000,000	\$1,540,000	\$46,866	\$2,586,866
2022	\$1,100,000	\$1,471,250	\$47,804	\$2,619,054
2023	\$1,300,000	\$1,395,625	\$48,760	\$2,744,385
2024	\$1,400,000	\$1,306,250	\$49,735	\$2,755,985
2025	\$1,500,000	\$1,210,000	\$50,730	\$2,760,730
2026	\$1,700,000	\$1,106,875	\$51,744	\$2,858,619
2027	\$1,900,000	\$990,000	\$52,779	\$2,942,779
2028	\$2,100,000	\$859,375	\$53,835	\$3,013,210
2029	\$2,300,000	\$715,000	\$54,911	\$3,069,911
2030	\$2,500,000	\$556,875	\$56,010	\$3,112,885
2031	\$2,700,000	\$385,000	\$57,130	\$3,142,130
2032	\$2,900,000	\$312,189	\$58,272	\$3,270,461
<b>Total</b>	<b>\$26,000,000</b>	<b>\$22,126,564</b>	<b>\$891,095</b>	<b>\$49,017,659</b>

**Tobyhanna Township Neighborhood Improvement District  
Tobyhanna Township, Pennsylvania**

**Appendix A-2**

**Updated Special Assessment Roll**

<b>Assessment Year Beginning</b>	<b>Total Principal</b>	<b>Total Interest</b>	<b>Trustee and Administrative Expenses</b>	<b>Annual Installments<sup>1</sup></b>	<b>Annual Payment</b>
2013	\$0	\$0	\$0	\$0	\$0
2014	\$0	\$0	\$0	\$0	\$0
2015	\$100,000	\$1,787,500	\$35,000	\$1,922,500	\$0
2016	\$500,000	\$1,780,625	\$30,000	\$2,310,625	\$0
2017	\$600,000	\$1,725,625	\$35,000	\$2,360,625	\$0
<b>2018</b>	<b>\$700,000</b>	<b>\$1,705,000</b>	<b>\$35,000</b>	<b>\$2,440,000</b>	<b>\$0</b>
2019	\$800,000	\$1,656,875	\$45,046	\$2,506,004	-
2020	\$900,000	\$1,601,875	\$45,947	\$2,551,905	-
2021	\$1,000,000	\$1,540,000	\$46,866	\$2,590,949	-
2022	\$1,100,000	\$1,471,250	\$47,804	\$2,623,136	-
2023	\$1,300,000	\$1,395,625	\$48,760	\$2,748,467	-
2024	\$1,400,000	\$1,306,250	\$49,735	\$2,760,067	-
2025	\$1,500,000	\$1,210,000	\$50,730	\$2,764,812	-
2026	\$1,700,000	\$1,106,875	\$51,744	\$2,862,701	-
2027	\$1,900,000	\$990,000	\$52,779	\$2,946,861	-
2028	\$2,100,000	\$859,375	\$53,835	\$3,017,292	-
2029	\$2,300,000	\$715,000	\$54,911	\$3,073,994	-
2030	\$2,500,000	\$556,875	\$56,010	\$3,116,967	-
2031	\$2,700,000	\$385,000	\$57,130	\$3,146,212	-
2032	\$2,900,000	\$312,189	\$58,272	\$3,274,543	-
<b>Total</b>	<b>\$26,000,000</b>	<b>\$22,105,939</b>	<b>\$854,570</b>	<b>\$49,017,659</b>	<b>\$0</b>

<sup>1</sup>The difference between the Annual Installment shown in Appendix A-1 and the Annual Payment shown in Appendix A-2 has been reallocated to future Assessment Years (Assessment Years 2019 through 2032) in the event future bonds are issued or the current bonds are refinanced.



**Tobyhanna Township Neighborhood Improvement District  
Tobyhanna Township, Pennsylvania**

**Appendix A-3**

**Assessment Roll**

PIN Number	Acres	Total Assessments	Principal Portion	Annual Parcel Assessments 2018 Assessment Year		
				Annual Installment	Annual Credit	Annual Payment
19635400083556	150.95	\$49,017,659	\$25,400,000	\$2,440,000	(\$3,147,652)	\$0
<b>Total</b>	<b>150.95</b>	<b>\$49,017,659</b>	<b>\$25,400,000</b>	<b>\$2,440,000</b>	<b>(\$3,147,652)</b>	<b>\$0</b>