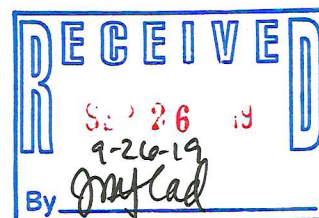




Health. Wellness. And Wonders.



PO Box 840, Harris, NY 12742 | 845.794.1400

September 25, 2019

Jennifer Flad
Executive Director
Sullivan County Funding Corporation
548 Broadway
Monticello, New York 12701

\$67,721,000
Sullivan County Funding Corporation
Consisting of

\$60,850,000	\$6,871,000
Tax-Exempt Revenue Bonds	Taxable Revenue Bonds
Series 2019 Tax-Exempt and Taxable Revenue Bonds	
(The Center for Discovery, Inc.)	

Dear Ms. Flad,

The Center for Discovery, Inc. (the “Center” or the “Borrower”) is a not-for-profit organization incorporated under the laws of the State of New York. The Borrower’s primary purpose is to provide educational training, housing accommodations and specially designed facilities, equipped and operated to meet the physical, mental, intellectual, emotional and social needs of children and adults with intellectual and developmental disabilities. The Center is headquartered in Harris, NY and currently employs over 1,600 individuals and provides services to hundreds of children and adults with severe disabilities from more than twenty (20) counties in the State of New York.

The Borrower is formally applying to the Sullivan County Funding Corporation to be the Issuer for Series 2019 bond issue in which proceeds will be used for the following purposes:

- 1) Financing tax-exempt and taxable basis, of \$61,051,463 for thirty-nine (39) residential, day care, educational, administrative projects and specialty hospital as further detailed in attached Project Listing;
- 2) Funding, on a tax-exempt basis, of \$3,052,600 for working capital;
- 3) Payment of the costs of issuance related to the bonds (together the “2019” Project”).

The 2019 Project encapsulates the innovation and growth of the Center over the past several years. Projects include a specialty hospital, expanded educational programs and residential facilities for Individuals with developmental disabilities, among others. The proposed financing will benefit the individuals served by the Center as well as residents of Sullivan County who are either employed by the Center or an active user of one of the Center’s facilities. It is anticipated that the Center will add approximately 300 FTE employees from the proposed projects. The

estimated value of the mortgage recording tax exemption for the 2019 Bond financing is approximately \$508,000.

For your reference, the contact information for the Borrowers, and their Counsel, is as follows:

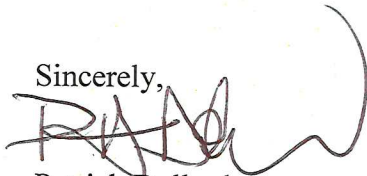
Borrower
Patrick Dollard
President & CEO
Center for Discovery
PO Box 840
Benmosche Road
Harris, NY 12742
P: 845-707-8899
phdollard@tcfd.org

Borrowers' Counsel
Seth Stein, Esq.
Partner
Moritt Hock & Hamroff LLP
400 Garden City Plaza
Suite 202
Garden City, NY 11530
P: 516-542-0088
sstein@moritthock.com

The Borrower has engaged Roosevelt & Cross as its investment banker and bond placement agent with respect to the 2019 Project. To that end, Roosevelt & Cross is currently in the process of soliciting and procuring interest in purchasers for the 2019 bonds.

We hereby request that Sullivan County Funding Corporation consider this request for financing. We are seeking a closing date prior to December 31, 2019. Thank you in advance and we look forward to working with you on this exciting transaction.

Sincerely,



Patrick Dollard
Chief Executive Officer

cc:

Walter Garigliano, Esq.
Claude D'Alessandro
Seth P. Stein, Esq.
Gregory LiCalzi
David Barr
Greg LiCalzi, Jr.

THE
CENTER FOR
DISCOVERY

thecenterfordiscovery.org

The Center For Discovery, Inc.
2019 Long Term Debt Issuance
As of September 24, 2019

Financial Summary - FY2024													
Revenue		Expenses		Net Income		Capital Expenditures		Debt Service		Reserves		Total	
Category	Amount	Category	Amount	Category	Amount	Category	Amount	Category	Amount	Category	Amount	Category	Amount
Operating Revenue	1,200,000	Operating Expenses	(850,000)	Net Income	350,000	Capital Expenditures	(150,000)	Debt Service	(100,000)	Reserves	(50,000)	Total	1,050,000
Non-Operating Revenue	50,000	Non-Operating Expenses	(20,000)	Net Income	30,000	Capital Expenditures	(10,000)	Debt Service	(5,000)	Reserves	(2,000)	Total	13,000
Total Revenue	1,250,000	Total Expenses	(870,000)	Total Net Income	380,000	Total Capital Expenditures	(160,000)	Total Debt Service	(105,000)	Total Reserves	(52,000)	Total	1,063,000
Detailed Breakdown by Department													
Department	Revenue	Expenses	Net Income	Capital Expenditures	Debt Service	Reserves	Total						
Administration	150,000	(100,000)	50,000	(20,000)	(10,000)	(5,000)	15,000						
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Total	1,250,000	(870,000)	380,000	(160,000)	(105,000)	(52,000)	1,063,000						
Financial Ratios and Metrics													
Metric	Value	Target	Variance	Ratio	Ratio	Ratio	Ratio						
Operating Ratio	0.85	0.80	0.05	1.05	1.05	1.05	1.05						
Capital Intensity	0.12	0.10	0.02	1.20	1.20	1.20	1.20						
Debt Service Coverage	1.50	1.20	0.30	1.25	1.25	1.25	1.25						
Reserve Ratio	0.04	0.03	0.01	1.33	1.33	1.33	1.33						
Total	1,063,000	1,000,000	63,000	1.06	1.06	1.06	1.06						

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(**) Includes historical soft costs related to the construction of the Assessment Center/CCCC