

PRELIMINARY OFFICIAL STATEMENT DATED MAY 14, 2020

**NEW ISSUES
SERIAL BONDS AND BOND ANTICIPATION NOTES**

RATING: See “RATING” herein

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Series A Bonds and the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Series A Bonds and the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code. In the opinion of Bond Counsel, interest on the Series B Bonds is included in gross income for federal income tax purposes pursuant to the Code. In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Bonds and the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. (See “TAX MATTERS FOR THE SERIES A BONDS AND THE NOTES” and “TAX MATTERS FOR THE SERIES B BONDS” herein.)

The District will NOT designate the Series A Bonds or the Notes as “qualified tax-exempt obligations” pursuant to the provisions of Section 265(b)(3) of the Code.

**MAHOPAC CENTRAL SCHOOL DISTRICT
PUTNAM COUNTY, NEW YORK**

\$9,005,000*

**SCHOOL DISTRICT SERIAL BONDS – 2020 SERIES A
(the “Series A Bonds”)**

Date of Issue: Date of Delivery

Maturity Dates: June 1, 2022 – 2036

\$800,000

**SCHOOL DISTRICT SERIAL BONDS – 2020 SERIES B (FEDERALLY TAXABLE)
(the “Series B Bonds” and together with the Series A Bonds, the “Bonds”)**

Date of Issue: Date of Delivery

Maturity Dates: June 1, 2022 – 2035

\$2,000,000

**BOND ANTICIPATION NOTES - 2020
(the “Notes”)**

Date of Issue: June 9, 2020

Maturity Dates: June 9, 2021

The Bonds and the Notes are general obligations of the Mahopac Central School District, Putnam County, New York (the “District”), and will contain a pledge of the faith and credit of the District for the payment of the principal of and interest on the Bonds and the Notes and, unless paid from other sources, the Bonds and Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the District without limitation as to rate or amount. (See “*Nature of the Obligation*,” herein).

The Bonds will be dated their Date of Delivery and will bear interest from such date payable semiannually on June 1 and December 1 in each year until maturity, commencing June 1, 2021. The Bonds will mature on June 1 in the years and amounts as set forth on the inside cover page hereof. The Bonds are subject to redemption prior to maturity. (See “*Optional Redemption*” herein).

The Notes are dated their Date of Issue and bear interest from that date until the Maturity Date, at the annual rate(s) as specified by the purchaser(s) of the Notes. The Notes will not be subject to redemption prior to maturity.

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

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

If the Notes are issued in book-entry form, such Notes will be delivered to DTC, which will act as securities depository for the Notes. The Bonds will be issued as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as the securities depository for the Bonds and such Notes issued in book-entry form. Individual purchases may be made in book-entry form only, in principal amounts of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interests in the Bonds and the Notes issued as book-entry-only bonds and notes. Payment of the principal of and interest on such Bonds and Notes will be made by the District to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of such Bonds and Notes as described herein. (See “*Book-Entry-Only System*” herein.)

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

The Bonds and Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the respective final approving opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and certain other conditions. It is anticipated that delivery of the Bonds and Notes will be made on or about June 9, 2020 through the offices of DTC, or such place agreed to by the purchaser(s) and the District.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM “DEEMED FINAL” BY THE DISTRICT FOR THE PURPOSES OF THE SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12 (THE “RULE”). FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE AS DESCRIBED IN THE RULE, SEE “*DISCLOSURE UNDERTAKING*,” HEREIN.

DATED: May ___, 2020

*Preliminary subject to change.

The Series A Bonds will mature on June 1, subject to optional redemption, in each year as set forth below:

<u>Date</u>	<u>Amount⁽¹⁾</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number</u>
2022	\$545,000			
2023	550,000			
2024	560,000			
2025	565,000			
2026	570,000			
2027	580,000			
2028	585,000			
2029 ⁽²⁾	595,000			
2030 ⁽²⁾	605,000			
2031 ⁽²⁾	615,000			
2032 ⁽²⁾	625,000			
2033 ⁽²⁾	635,000			
2034 ⁽²⁾	645,000			
2035 ⁽²⁾	660,000			
2036 ⁽²⁾	670,000			

The Series B Bonds mature on June 1, subject to optional redemption, in each year as set forth below:

<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number</u>
2022	\$50,000			
2023	50,000			
2024	50,000			
2025	55,000			
2026	55,000			
2027	55,000			
2028	55,000			
2029 ⁽²⁾	55,000			
2030 ⁽²⁾	60,000			
2031 ⁽²⁾	60,000			
2032 ⁽²⁾	60,000			
2033 ⁽²⁾	65,000			
2034 ⁽²⁾	65,000			
2035 ⁽²⁾	65,000			

- (1) The principal amounts of the Series A Bonds are subject to adjustment following their sale, pursuant to the terms of the accompanying Notice of Sale.
- (2) The Bonds maturing in the years 2029 and thereafter will be subject to optional redemption prior to maturity, as described herein. (See “*Optional Redemption*” herein.)

**MAHOPAC CENTRAL SCHOOL DISTRICT
PUTNAM COUNTY, NEW YORK**

BOARD OF EDUCATION

Leslie MancusoPresident
Michael Mongon Vice President
Adam Savino Board Member
David Furfaro Board Member
Lawrence Keane Board Member
Lucy Massafra Board Member
Raymond McDonough Board Member
Mark O'Connor Board Member
Michael Simone Board Member

DISTRICT OFFICIALS

Anthony DiCarlo Superintendent of Schools
Sandra Clohessy Assistant Superintendent for Business
Melody LaRocca District Clerk
Denise Palmiotto District Treasurer

BOND COUNSEL

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

MUNICIPAL ADVISOR



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

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

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OFFICIAL STATEMENT

**MAHOPAC CENTRAL SCHOOL DISTRICT
PUTNAM COUNTY, NEW YORK**

relating to

\$9,005,000*

**SCHOOL DISTRICT SERIAL BONDS – 2020 SERIES A
(the “Series A Bonds”)**

and

\$800,000

**SCHOOL DISTRICT SERIAL BONDS – 2020 SERIES B (FEDERALLY TAXABLE)
(the “Series B Bonds” and together with the Series A Bonds, the “Bonds”)**

and

\$2,000,000

**BOND ANTICIPATION NOTES - 2020
(the “Notes”)**

This Official Statement, which includes the cover page, inside cover page and appendices hereto, presents certain information relating to the Mahopac Central School District, in Putnam County, in the State of New York (the “District,” “County,” and “State,” respectively), in connection with the sale of \$9,005,000* School District Serial Bonds – 2020 Series A (the “Series A Bonds”), \$800,000 School District Serial Bonds – 2020 Series B (Federally Taxable) (the “Series B Bonds” and together with the Series A Bonds, the “Bonds”) and \$2,000,000 Bond Anticipation Notes – 2020 (the “Notes”).

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the District contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof. All references to the Bonds and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

THE BONDS AND THE NOTES

Description of the Bonds

The Bonds will be dated their Date of Delivery and will bear interest from such date payable semiannually on June 1 and December 1 in each year until maturity commencing June 1, 2021. The Bonds will mature on June 1 in the years and amounts as set forth on the inside cover page hereof. The Bonds are subject to redemption prior to the maturity (see “*Optional Redemption*” herein).

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds.

*Preliminary subject to change.

Principal of and interest on the Bonds will be made by the District to DTC, which will in turn remit such principal of and interest on to its Participants (defined herein), for subsequent disbursement to the Beneficial Owners (defined herein) of the Bonds as described herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the District referred to therein.

The record date for payment of principal of and interest on the Bonds will be the fifteenth day of the calendar month preceding each interest payment date.

Description of the Notes

The Notes will be dated and will mature, without option of prior redemption, as reflected on the cover page hereof.

The District will act as Paying Agent for any Notes issued in book-entry form. Paying agent fees, if any, will be paid by the purchaser. The District's contact information is Ms. Sandra Clohessy, (845) 628-3415 x. 10410, email: clohessys@mahopac.org.

Authority for and Purpose of the Bonds and the Notes

The Bonds and the Notes are issued pursuant to the Constitution, the laws of the State, including, among others, the Local Finance Law and the Education Law, and a bond resolution adopted by the Board of Education of the District on June 13, 2019, following approval of a proposition by a majority of the qualified voters of the District voting at the Annual District Meeting and Election duly called and held on May 21, 2019. Said bond resolution authorizes the issuance of \$53,960,100 serial bonds to pay the cost of construction of improvements and alterations to various District buildings and sites (the "Project"). The proceeds from the sale of the Bonds and the Notes will provide original financing for the Project.

Optional Redemption

The Bonds maturing on or before June 1, 2028 are not subject to redemption prior to their stated maturity. The Bonds maturing on or after June 1, 2029 will be subject to redemption prior to maturity, at the option of the District, on any date on or after June 1, 2028, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price of 100% of the par amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

If less than all of the Bonds of any maturity are to be redeemed, the particular bonds of such maturity to be redeemed shall be selected by lot in any customary manner of selection as determined by the District. Notice of such call for redemption shall be given by mailing such notice to the registered holder not more than sixty (60) days nor less than thirty (30) days prior to such date of redemption. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call of redemption, become due and payable together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date (See "*Book-Entry-Only System*" for additional information concerning redemptions).

The Notes are not subject to redemption prior to maturity.

Nature of the Obligation

Each Bond and Note when duly issued and paid for will constitute a contract between the District and the holder thereof.

The Bonds and the Notes are general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest the District has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the District without limitation as to rate or amount.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and Notes, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate therefore. However, Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limit Law"), imposes a limitation on the power of local governments and school districts, including the District, to increase their annual tax levy, with the amount of such increase limited by the formulas set forth in the Tax Levy Limit Law. The Tax Levy Limit Law also provides the procedural method to overcome that limitation. In addition, the Tax Levy Limit Law expressly provides an exclusion from the annual tax levy limitation for any taxes levied to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures, or the refinancing or refunding of such bonds or notes. As the Bonds and Notes are being issued to finance voter approved capital expenditures, the Bonds and Notes qualify for such exclusion to the annual tax levy limitation. The exclusion does NOT apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments. (See "*The Tax Levy Limit Law*" herein.)

REMEDIES UPON DEFAULT

None of the Bonds, Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Bonds and the Notes should the District default in the payment of principal of or interest on the Bonds and the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Bonds and the Notes upon the occurrence of any such default. The Bonds and the Notes are general obligation contracts between the District and the owners for which the faith and credit of the District are pledged and while remedies for enforcement of payment are not expressly included in the District's contract with such owners, any permanent repeal by statute or constitutional amendment of a bondholder's and/or noteholder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Bonds or the Notes at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the District. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds or notes from funds lawfully available therefor or, in the absence thereof, to order the District to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the District and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on the Bonds or the Notes, the owners of such Bonds or the Notes could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the District to assess, levy and collect an ad valorem tax, upon all taxable property of the District subject to taxation by the District sufficient to pay the principal of and interest on the Bonds or the Notes as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Bonds or the Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Bonds or the Notes. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Bonds or the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of holders of obligations, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National*

Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the District.

Pursuant to Article VIII, Section 2 of the State Constitution, the District is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically this constitutional provision states: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in the State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

While the courts in the State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have generally upheld and sustained the rights of bondholders and/or noteholders, such courts might hold that future events, including a financial crisis as such may occur in the State or in political subdivisions of the State, may require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

No Past Due Debt

No principal or interest payment on District indebtedness is past due. The District has never defaulted in the payment of the principal of and/or interest on any indebtedness. (See also, "*Compliance History*" herein.)

Bankruptcy

The Federal Bankruptcy Code (Chapter IX) allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Title 6-A of the Local Finance Law specifically authorizes any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not become applicable in the future. As such, the undertakings of the District should be considered with reference, specifically, to Chapter IX, and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Bankruptcy proceedings by the District if authorized by the State in the future, could have adverse effects on bondholders and/or noteholders including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those

supplying goods and services to the District after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Bonds or the Notes.

The above references to said Chapter IX are not to be construed as an indication that the State will consent in the future to the right of the District to file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness or that the District is currently considering or expects to resort to the provisions of Chapter IX if authorized to do so in the future.

SECTION 99-B OF THE STATE FINANCE LAW

Section 99-b of the State Finance Law (the "SFL") provides for a covenant between the State and the purchasers and the holders and owners from time to time of the bonds and notes issued by school districts in the State for school purposes that it will not repeal, revoke or rescind the provisions of Section 99-b of the SFL, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Said section provides that in the event a holder or owner of any bond or note issued by a school district for school purposes shall file with the State Comptroller, a verified statement describing such bond or note and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the bond or note. Such investigation by the State Comptroller shall set forth a description of all such bonds and notes of the school district found to be in default and the amount of principal and interest thereon past due.

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State Teachers' Retirement System, and (b) the principal of and interest on such bonds and notes of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on the bonds and notes shall be forwarded promptly to the paying agent or agents for the bonds and notes in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds or notes. If any such successive allotments, apportionments or payment of such State aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds and notes in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds and notes in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds and notes of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds or notes pursuant to said section of the SFL.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC") will act as securities depository for the Bonds and for those Notes issued in book-entry form. The Bonds and those Notes issued in book-entry form will be issued as fully-registered bonds and notes registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds and will be deposited with DTC. One fully-registered note certificate will be issued for each

Note issued in book-entry form bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

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

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company and Clearing Corporation.

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

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

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

MARKET FACTORS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE

There are certain potential risks associated with an investment in the Bonds or the Notes, and investors should be thoroughly familiar with this Official Statement, including its appendices, in order to make an informed investment decision. Investors should consider, in particular, the following factors:

The District's credit rating could be affected by circumstances beyond the District's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of District property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. Accordingly, a decline in the District's credit rating could adversely affect the market value of the Bonds and Notes.

In addition, if and when a holder of any of the Bonds or Notes should elect to sell a Bond or Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any Bonds or Notes. The price or principal value of the Bonds and the Notes is dependent on the prevailing level of interest rates. If interest rates should increase, the price of a bond or note may decline causing the bond or noteholder to potentially incur a capital loss if such bond or note is sold prior to its maturity.

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

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the impact to the State's economy and financial condition due to the COVID-19 outbreak and other circumstances, including State fiscal stress. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. (See "*State Aid*" and "*Events Affecting New York School Districts*" herein). Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the COVID-19 outbreak has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to continue to affect economic growth worldwide. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. Efforts to contain the spread of COVID-19 has reduced the spread of the virus in some areas and there have been recent efforts to relax some of the restrictions put in place following the initial outbreak. Nevertheless, the outbreak of COVID-19 and the dramatic steps taken by the Federal government and State to address it are expected to negatively impact federal and local economies, including the economy of the State. The full impact of COVID-19 on the State's operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact to the District's operations and finances as

a result of COVID-19 is extremely difficult to predict due to the uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions have been or may continue to be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The spread of the outbreak or resurgence later in the year could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See “*State Aid*” and “*Events Affecting New York School Districts*” herein).

Cybersecurity

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

THE STATE COMPTROLLER’S FISCAL STRESS MONITORING SYSTEM AND OSC COMPLIANCE REVIEWS

The New York State Comptroller has reported that New York State’s school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller (“OSC”) has developed a Fiscal Stress Monitoring System (“FSMS”) to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State’s school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district’s ST-3 report filed with the State Education Department annually, and each municipality’s annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in “significant fiscal stress”, in “moderate fiscal stress,” as “susceptible to fiscal stress” or “no designation”. Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of “no designation.” This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity’s financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The most current applicable report of the State Comptroller designates the District as “No Designation,” with a fiscal score of 0.0% and an environmental score of 10.0%.

The financial affairs of the District are subject to periodic compliance reviews by OSC to ascertain whether the District has complied with the requirements of various State and federal statutes. OSC has not reviewed the District in the last five fiscal years.

See the State Comptroller’s official website for more information on FSMS. References to websites and/or website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

LITIGATION

General Matters. In common with other school districts, the District from time to time receives various notices of claim and is party to litigation. In the opinion of legal counsel to the District, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no claims or actions pending which, if determined against the District, would have an adverse material effect on the financial condition of the District.

Tax Certiorari Proceedings. The District is also a party to various tax certiorari proceedings instituted under Article 7 of the Real Property Tax Law. In these actions, taxpayers claim that their current real property assessment is excessive and ask that such assessment be reduced. Generally, tax claims request a refund of taxes applicable to the alleged over assessment. Claims of this nature are filed continuously and some cases may not be settled for several years or more. It is not unusual for certain taxpayers to have multiple pending claims affecting a period of years. It is not possible to estimate the outcome of all pending tax certiorari cases.

However, the City of New York has filed tax certiorari proceedings in 2017, 2018 and 2019 regarding four parcels in the Town of Carmel, two of which are located in the Mahopac Central School District, which contain a reservoir and other related buildings and improvements. Based on the allegations in the petitions, if the City is successful, the District conceivably could have to refund a total of up to \$3.44 million. The petitioner's counsel has verbally represented that the City is not interested in refunds, but rather would settle the active cases on a prospective basis.

Tax certiorari claims are frequently settled for amounts substantially less than the original claims. In addition, settlements sometimes provide for reduced assessments in future years rather than a refund of taxes previously paid.

The District maintains a tax certiorari reserve which had a balance of \$ 4,091,852 at June 30, 2019. Pursuant to State law, the District has designated its tax certiorari reserve for the settlement of specific claims including certain large items. The District may also finance tax settlements by issuing debt pursuant to provisions set forth in the Local Finance Law.

TAX MATTERS FOR THE SERIES A BONDS AND THE NOTES

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Series A Bonds and the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) interest on the Series A Bonds and the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code. The Tax Certificates of the District (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Series A Bonds and the Notes will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the District in connection with the Series A Bonds and the Notes, and Bond Counsel has assumed compliance by the District with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Series A Bonds and the Notes from gross income under Section 103 of the Code.

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

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Series A Bonds, the Notes, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance

that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Series A Bonds or the Notes.

Certain Ongoing Federal Tax Requirements and Certifications

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

Certain Collateral Federal Tax Consequences

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

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

Original Issue Discount

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

In general, under Section 1288 of the Code, OID on a Discount Obligation accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Obligation. An owner’s adjusted basis in a Discount Obligation is increased

by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Series A Bond or Note. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Obligation even though there will not be a corresponding cash payment.

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

Bond Premium

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

Information Reporting and Backup Withholding

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

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

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series A Bonds and the Notes under federal or state law or otherwise prevent beneficial owners of the Series A Bonds and the Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed,

proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Series A Bonds and the Notes.

Prospective purchasers of the Series A Bonds and the Notes should consult their own tax advisors regarding the foregoing matters.

TAX MATTERS FOR THE SERIES B BONDS

Opinion of Bond Counsel

In the opinion of Bond Counsel to the District, interest on the Series B Bonds (the “Taxable Obligations”) (i) is included in gross income for federal income tax purposes, and (ii) is exempt, under existing statutes, from personal income taxes of New York State and its political subdivisions, including The City of New York.

The following discussion is a brief summary of the principal United States federal income tax consequences of the acquisition, ownership and disposition of Taxable Obligations by original purchasers of the Taxable Obligations who are “U.S. Holders”, as defined herein. This summary (i) is based on the Code, Treasury Regulations, revenue rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect; (ii) assumes that the Taxable Obligations will be held as “capital assets”; and (iii) does not discuss all of the United States federal income tax consequences that may be relevant to a holder in light of its particular circumstances or to U.S. Holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Taxable Obligations as a position in a “hedge” or “straddle”, U.S. Holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, U.S. Holders who acquire Taxable Obligations in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code.

Certain taxpayers that are required to prepare certified financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Taxable Obligations at the time that such income, gain or loss is taken into account on such financial statements instead of under the rules described below.

U.S. Holders of Taxable Obligations should consult with their own tax advisors concerning the United States federal income tax and other consequences with respect to the acquisition, ownership and disposition of the Taxable Obligations as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Original Issue Discount

In general, if Original Issue Discount (“OID”) is greater than a statutorily defined de minimis amount, a U.S. Holder of a Taxable Obligation must include in federal gross income (for each day of the taxable year, or portion of the taxable year, in which such U.S. Holder holds such Taxable Obligation) the daily portion of OID, as it accrues (generally on a constant yield method) and regardless of the U.S. Holder’s method of accounting. “OID” is the excess of (i) the “stated redemption price at maturity” over (ii) the “issue price”. For purposes of the foregoing: “issue price” means the first price at which a substantial amount of the Taxable Obligation is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers); “stated redemption price at maturity” means the sum of all payments, other than “qualified stated interest”, provided by such Taxable Obligation; “qualified stated interest” is stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate; and “de minimis amount” is an amount equal to 0.25 percent of the Taxable Obligation’s stated redemption price at maturity multiplied by the number of complete years to its maturity. A U.S. Holder may irrevocably elect to include in gross income all interest that accrues on a Taxable Obligation using the constant-yield method, subject to certain modifications.

Taxable Bond Premium

In general, if a taxable obligation is originally issued for an issue price (excluding accrued interest) that reflects a premium over the sum of all amounts payable on the taxable obligation other than “qualified stated interest” (a “Taxable Premium Obligation”), that Taxable Premium Obligation will be subject to Section 171 of the Code, relating to bond premium. In general, if the U.S. Holder of a Taxable Premium Obligation elects to amortize the premium as “amortizable bond premium” over the remaining term of the Taxable Premium Obligation, determined based on constant yield principles (in certain cases involving a Taxable Premium Obligation callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the highest yield on such bond), the amortizable premium is treated as an offset to interest income; the U.S. Holder will make a corresponding adjustment to the U.S. Holder’s basis in the Taxable Premium Obligation. Any such election is generally irrevocable and applies to all debt instruments of the U.S. Holder (other than tax-exempt bonds) held at the beginning of the first taxable year to which the election applies and to all such debt instruments thereafter acquired. Under certain circumstances, the U.S. Holder of a Taxable Premium Obligation may realize a taxable gain upon disposition of the Taxable Premium Obligation even though it is sold or redeemed for an amount less than or equal to the U.S. Holder's original acquisition cost.

Disposition and Defeasance

Generally, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Taxable Obligation, a U.S. Holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such U.S. Holder’s adjusted tax basis in the Taxable Obligation.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to non-corporate U.S. U.S. Holders of the Taxable Obligations with respect to payments of principal, payments of interest, and the accrual of OID on a Taxable Obligation and the proceeds of the sale of a Taxable Obligation before maturity within the United States. Backup withholding may apply to U.S. Holders of Taxable Obligations under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner’s United States federal income tax provided the required information is furnished to the Internal Revenue Service.

U.S. Holders

The term “U.S. Holder” means a beneficial owner of a Taxable Obligation that is: (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Taxable Obligations under state law and could affect the market price or marketability of the Taxable Obligations.

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

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds and the Notes are subject to the respective approving legal opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. Bond Counsel's opinions will be in substantially the form attached hereto in Appendices D and E, respectively.

DISCLOSURE UNDERTAKING

In order to assist the purchaser(s) in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12") with respect to the Bonds and the Notes, the District will execute an Undertaking to Provide Continuing Disclosure for the Bonds, the form of which is attached hereto as Appendix F and a Certificate to Provide Notices of Events for the Notes, the form of which is attached hereto as Appendix G.

RATING

On May 13, 2020, Moody's Investors Service ("Moody's") affirmed its "Aa2" rating on the District's outstanding general obligation debt and applied such rating to the Bonds.

Additionally, Moody's assigned its "MIG 1" rating to the Notes.

Such ratings reflect only the view of Moody's, and an explanation of the significance of such ratings may be obtained only from Moody's, at the following address: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. There can be no assurance that such ratings will continue for any specified period of time or that such ratings will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any such change or withdrawal of such ratings may have an adverse effect on the market price of such bonds and notes or the availability of a secondary market for those bonds and notes.

MUNICIPAL ADVISOR

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

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

ADDITIONAL INFORMATION

Additional information may be obtained upon request from Sandra A. Clohessy, Assistant Superintendent for Business, 179 East Lake Boulevard, Mahopac, New York 10541, (845) 628-3415 x. 10410, e-mail: clohessys@mahopac.org or from the District's Municipal Advisor, Capital Markets Advisors, LLC, 822 Route 82 – Suite 310, Hopewell Junction, New York 12533, (845) 227-8678.

APPENDIX A

THE DISTRICT

THE DISTRICT

General Information

The District is located wholly within the County and lies approximately 45 miles north of New York City. The major component of the District is the Town of Carmel (comprising approximately 95% of the property valuation of the District). The Town of Putnam Valley makes up the remaining portion of the District.

The majority of the population for the District resides in the Town of Carmel. Residents of the District receive their basic municipal services from the towns making up the District. The County is responsible for providing social and certain health related programs.

The District is primarily residential in nature. Residents are employed locally as well as in New York City or the Metropolitan New York Area. Unemployment rates reported for the County in recent years have been substantially less than both State and national averages. Wealth levels for District residents exceed State norms. (See “Economic and Demographic Data,” herein).

District Organization

The District is an independent entity governed by an elected board of education comprised of nine members. District operations are subject to the provisions of the State Education Law affecting school districts and other statutes applicable to the District.

Members of the Board of Education of the District (the “Board of Education”) are chosen on a rotating basis by qualified voters at the annual election of the District. The term of office for each board member is three years and the number of terms that may be served is unrestricted. A president is selected by the Board of Education from its members and also serves as the chief fiscal officer of the District. The Board of Education is vested with various powers and duties as set forth in the Education Law. Among these are the adoption of annual budgets (subject to voter approval), the levy of real property taxes for the support of education, the appointment of such employees as may be necessary, and other such duties reasonably required to fulfill the responsibilities provided by law.

The Board of Education appoints the superintendent of schools who serves at the pleasure of the Board of Education. Such superintendent is the chief executive officer of the District and is an ex-officio member of the Board of Education with the right to speak on all matters before the Board of Education but not to vote. It is the responsibility of the superintendent to enforce all provisions of law and all rules and regulations relating to the management of the schools and other educational, social and recreational activities under the direction of the Board of Education. Certain of the financial functions of the District are the responsibility of the Assistant Superintendent for Business.

Financial Organization

Pursuant to the Local Finance Law, the President of the Board of Education is the chief fiscal officer of the District. However, certain of the financial functions of the District are the responsibility of the Superintendent of Schools, the Assistant Superintendent for Business and the District Treasurer.

Financial Statements and Accounting Procedures

The financial accounts of the District are maintained in accordance with the New York State Uniform System of Accounting for School Districts. Such accounts are audited annually by independent auditors, and are available for public inspection upon request.

Budgetary Procedure

The District’s fiscal year begins on July 1 and ends on June 30. Starting in the fall or winter of each year, the District’s financial plan and enrollment projection are reviewed and updated and the first draft of the next year’s proposed budget is developed by the central office staff. During the winter and early spring the budget is developed and refined in conjunction with the school building principals and department supervisors. The District’s budget is subject to the provisions of the Tax Levy Limit Law, which imposes a limitation on the amount of real property taxes that a school district may levy, and by law is submitted to voter referendum. (See “*The Tax Levy Limit Law*” herein).

The Budget for the 2019-20 fiscal year was approved by a majority of the voters of the District on May 21, 2019. See Appendix B for a summary of the 2019-20 budget.

School Enrollment Trends

School enrollment history and projections are outlined below.

<u>Years Ended June 30:</u>	<u>Enrollment History</u>	<u>Years Ending June 30:</u>	<u>Enrollment Projections*</u>
2016	4,344	2021	3,963
2017	4,226	2022	3,932
2018	4,138	2023	3,908
2019	4,054		
2020	4,003		

*Median Forecast.

District Facilities

The District operates six school buildings, statistics relating to each are shown below.

<u>Name</u>	<u>Capacity</u>	<u>Year of Original Construction Or Addition</u>	<u>Grades</u>
Mahopac High School	1,518	1967/2002	9-12
Mahopac Middle School	1,313	1972/2001	6-8
Mahopac Falls Elementary	810	1962	K
Fulmar Road Elementary	810	1967	1-5
Austin Road Elementary	875	1964/2000	1-5
Lakeview Elementary	810	1936/1954	1-5

Employees

The District provides service through approximately 796 union and non-union employees. Union employees are represented by the following units of organized labor.

<u>No. of Employees</u>	<u>Union</u>	<u>Contract Expiration Date</u>
409	MTA	6-30-2021
75	MTAA	6-30-2022
148	USWOM	6-30-2021
61	UPESU Clerical Unit	6-30-2019 ⁽¹⁾
13	UPESU SUPV	6-30-2022
17	AMA ADMIN	6-30-2022
15	UPESU MONITORS	6-30-2021

(1) In negotiation

There are also 8 managerial confidential employees that are not part of any bargaining unit

Employee Benefits

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

On December 10, 2009, the Governor signed in to law a new Tier 5. The law is effective for new ERS and TRS employees hired after January 1, 2010 and before March 31, 2012. New ERS employees will now contribute 3% of their salaries and new TRS employees will contribute 3.5% of their salaries. There is no provision for these employee contributions to cease after a certain

period of service.

On March 16, 2012, Governor Cuomo signed into law Chapter 18 of the Laws of 2012, which legislation provides for a new Tier 6 for employees hired after April 1, 2012. The new pension tier has progressive employee contribution rates between 3% and 6% and such employee contributions continue so long as the employee continues to accumulate pension credits; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under Tier 6, the pension multiplier will be 1.75% for the first 20 years of service and 2% thereafter; vesting will occur after 10 years; the time period for calculation of final average salary is increased from three years to five years; and the amount of overtime to be used to determine an employee's pension is capped at \$15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. It also includes a voluntary, portable, defined contribution plan option for new non-union employees with salaries of \$75,000 or more.

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

Due to poor performance of the investment portfolio of TRS and ERS during the recent financial crisis, the employer contribution rates for required pension payments to the TRS and ERS increased substantially. To help mitigate the impact of such increases, legislation was enacted that permitted school districts to amortize a portion of its annual employer pension payment to the ERS only. Under such legislation, school districts that choose to amortize were required to set aside and reserve funds with the ERS for certain future rate increases. The District has not and does not reasonably expect to amortize such contributions in the foreseeable future.

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

The TRS SCO deferral plan is available to school districts for up to 7 years. Under the TRS SCO plan, payment of the deferred amount will commence in year six of the program (2018-19) and continue for five years. School districts can elect to no longer participate in the plan at any time, resume paying the ARC and begin repayment of deferred amounts over five years. Under the ERS SCO, payment of deferred amounts begins the year immediately following the deferral and the repayment period is 12 years. Once made, the election to participate in the ERS SCO is permanent. However, the school districts can choose not to defer payment in any given year. In both plans, interest on the deferred amounts is based on the yield of 10-year U.S. Treasury securities plus 1%.

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

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District has yet to establish such a fund.

Retirement Billing Procedures

TRS. TRS contributions are paid as a reduction in State aid payments due September 15, October 15 and November 15 of the succeeding fiscal year. Any deficiency or excess in TRS contributions are settled on a current basis in the month of January.

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

The amounts contributed to ERS and TRS for the last five fiscal years ended June 30, and the amounts budgeted for the current fiscal year are as follows.

Fiscal Year Ended June 30	ERS	TRS
2015	\$2,194,303	\$7,977,477
2016	2,154,726	6,807,614
2017	2,242,178	6,729,056
2018	1,913,567	5,076,847
2019	1,880,276	5,604,714
2020 (Budget)	1,856,810	4,892,415

Source: Audited Financial Statements and Adopted Budget of the District.

Other Post Employment Benefits

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

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

Total OPEB liability at June 30, 2019 is as follows:

Balance at June 30, 2018	\$233,397,050
Service Cost	\$3,073,562
Interest	8,002,313
Changes of benefit terms	0
Changes in assumptions or other inputs	28,019,879
Benefit Payments	(6,555,592)
Net changes	<u>32,540,162</u>
Balance at June 30, 2019	\$265,937,121

Investment Policy

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

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

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

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

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

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

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

FINANCIAL FACTORS

The District derives a major portion of its revenues from a tax on real property (see “*Statement of Revenues, Expenditures and Changes in Fund Balance-General Fund*” in Appendix B, herein). Chapter 97 of the Laws of 2011, as amended, was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the District. (See “*Tax Levy Limit Law*,” herein.)

(The remainder of this page was intentionally left blank.)

The following table sets forth total general fund revenues and real property tax revenues during the last five audited fiscal years, and real property tax revenues budgeted for the most recent fiscal year.

<u>Fiscal Year</u>	<u>Property Taxes</u>		
	<u>Total Revenues</u> ⁽¹⁾	<u>Real Property Taxes</u> ⁽²⁾	<u>Real Property Taxes To Revenues</u>
2015	\$114,117,931	\$83,329,192	73.0%
2016	116,255,090	83,883,237	72.2
2017	118,291,621	84,056,343	71.1
2018	118,181,442	84,034,050	71.1
2019	121,168,130	84,826,529	70.0
2020 (Budget)	122,637,613	86,528,671	70.6

(1) General Fund only.

(2) Inclusive of Other Tax Items, which represents STAR tax payments made to the District by the State. (See "STAR - School Tax Exemption," herein).

Source: Audited Financial Statements and Adopted Budget of the District. This summary is not audited.

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute.

The following table sets forth total general fund revenues and State aid revenues during the last five fiscal years, and the amounts budgeted for the current fiscal year.

<u>Fiscal Year Ended June 30:</u>	<u>General Fund Revenues</u>	<u>State Aid</u>	<u>State Aid to Revenue (%)</u>
2015	\$114,117,931	\$28,198,571	24.7%
2016	116,255,090	29,986,562	25.6
2017	118,291,621	31,940,794	27.0
2018	118,181,442	32,229,062	27.3
2019	121,168,130	32,593,438	26.9
2020 (Budget)	122,637,613	31,642,618	25.8

In addition to the amount of State Aid budgeted annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program (see "*STAR-School Tax Exemption*"). The District has received timely STAR aid from the State for the current fiscal year in January 2020.

The amount of State aid to school districts is dependent in part upon the financial condition of the State. Currently, due the outbreak of COVID-19 the State has declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will be required to take certain gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of school districts in the State, including the District.

The State's 2020-2021 Adopted Budget authorizes the State's Budget Director to make periodic adjustments to nearly all State spending, including State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Specifically, the legislation provides that the State Budget Director will determine whether the State's 2020-2021 budget is balanced during three "measurement periods": April 1 to April 30, May 1 to June 30, and July 1 to Dec. 31. According to the legislation, if "a General Fund imbalance has occurred during any Measurement Period," the State's Budget Director will be empowered to "adjust or reduce any general fund and/or state special revenue fund appropriation ... and related cash disbursement by any amount needed to maintain a balanced budget," and "such adjustments or reductions shall be done uniformly across the board to the extent practicably or by specific appropriations as needed." The

legislation further provides that prior to making any adjustments or reductions, the State's Budget Director must notify the Legislature in writing and the Legislature has 10 days following receipt of such notice to prepare and approve its own plan. If the Legislature fails to approve its own plan, the Budget Director's reductions take effect automatically. (See "*Events Affecting New York School Districts*" herein).

It is anticipated that the State Budget Director's powers discussed herein will be activated and across-the-board and targeted reductions to local aid programs will be taken to close a substantial portion of the State fiscal year 2021 budget gap caused by the receipts shortfall. On April 25, 2020 the New York State Division of the Budget announced that the State fiscal year 2021 Enacted State Budget Financial Plan (the "Financial Plan"), projects a \$13.3 billion shortfall as a direct consequence of the COVID-19 pandemic. As a result, in the absence of Federal assistance, initial budget control actions are expected to significantly reduce State spending in several areas, including "aid-to-localities," a broad spending category that includes funding for health care, K-12 schools, and higher education as well as support for local governments, public transit systems, and not-for-profits. Reduced receipts are expected to carry through each subsequent year of the four year Financial Plan through State fiscal year 2024. Reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State. (See "*Event Affecting New York School Districts*" herein).

In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and the current Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak.

The federal government may enact budgetary changes or take other actions that adversely affect State finances. State legislation adopted with the State's 2019-2020 Budget continued authorization for a process by which the State would manage significant reductions in federal aid during Federal fiscal year 2020. Specifically, the legislation allowed the State Budget Director to prepare a plan for consideration by the State Legislature in the event that the federal government (i) reduced federal financial participation in Medicaid funding to the State or its subdivisions by \$850 million or more; or (ii) reduced federal financial participation of other federal aid funding to the State that affects the State Operating Funds financial plan by \$850 million or more, exclusive of any cuts to Medicaid. Each limit is triggered separately. The plan prepared by the State Budget Director must equally and proportionately reduce appropriations and cash disbursements in the State's General Fund and State Special Revenue Funds. Upon receipt of the plan, the State Legislature has 90 days to prepare its own corrective action plan, which may be adopted by concurrent resolution passed by both houses, or the plan submitted by the State Budget Director takes effect automatically.

On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act of 2017 (H.R. 1, P.L. 115-97), making major changes to the Federal Internal Revenue Code, most of which are effective in the 2018 tax year. The new federal tax law makes extensive changes to federal personal income taxes, corporate income taxes, and estate taxes, and the deductibility of various taxes and interest costs. The State's income tax system interacts with the federal system in numerous ways. The federal changes are expected to have significant flow-through effects on State tax burdens and revenues. The State's 2018-2019 Enacted Budget includes legislation decoupling certain linkages between federal and local income tax and corporate taxes, increasing the opportunities for charitable contributions, and providing an option to employers to shift to an employer compensation tax and reduce State personal income taxes. In addition, the State's 2018-2019 Enacted Budget includes legislation that grants localities the option to establish local charitable funds that would provide taxpayers with a credit against their property taxes. In response to various state initiatives following changes to federal taxes and deductibility, the Department of Treasury (Treasury Department) and the Internal Revenue Service (IRS) have proposed regulations addressing state initiatives that would seek to circumvent the new statutory limitation on state and local tax deductions and characterization of payments for federal income tax purposes. At this time, the District does not have plans to establish a local charitable fund.

Reductions in federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the federal administration and Congress, the State budget may be adversely affected by other actions taken by the federal government, including audits, disallowances, and changes to federal participation rates or other Medicaid rules.

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the District is authorized by the Local Finance Law

to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

Litigation regarding apportionment of State aid. In January 2001, the State Supreme Court issued a decision in *Campaign for Fiscal Equity (“CFE”) v. State of New York* mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation in 2006, the Court of Appeals held that \$1.93 billion of additional funds for the New York City schools - as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education - was reasonably determined. State legislative reforms enacted in the wake of the decision in *Campaign for Fiscal Equity (“CFE”) v. State of New York*, included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid into one classroom operating formula referred to as foundation aid. Foundation aid prioritizes funding distribution based upon student need.

Litigation is continuing however as a statewide lawsuit entitled *NYSER v. State of New York* has been filed recently on behalf of the State’s public school students. The lawsuit asserts that the State has failed to comply with the decision of the New York State Court of Appeals in *CFE v. State of New York*. The complaint asks the court for an order requiring the State to immediately discontinue the cap on State aid increases and the supermajority requirements regarding increases in local property tax levies. The complaint also asks the court to order the State to develop a new methodology for determining the actual costs of providing all students the opportunity for a sound basic education, revise the State funding formulas to ensure that all schools receive sufficient resources, and ensure a system of accountability that measures whether every school has sufficient resources and that all students are, in fact, receiving the opportunity to obtain a sound basic education. On June 27, 2017, the Court of Appeals ruled that NYSER’s claims that students in New York City and Syracuse are being denied the opportunity for a sound basic education could go to trial and that NYSER could rely upon the CFE decision in its arguments. It is not possible to predict the outcome of this litigation.

Events Affecting New York School Districts

Following a State budgetary crisis in 2009, State aid to school districts in the State decreased for a number of years with increases established in more recent years. However, as discussed below the COVID-19 outbreak has affected and is expected to continue to affect State aid to school district.

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

The Smart Schools Bond Act was passed as part of the Enacted 2014-2015 State Budget. The Smart Schools Bond Act authorizes the issuance of \$2 billion of general obligation bonds to finance improved educational technology and infrastructure to improve learning and opportunity for students throughout the State. The District’s estimated allocation of funds is \$752,800.

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

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

School district fiscal year (2017-2018): The State’s 2017-2018 Budget provided for school aid of approximately \$25.8 billion, an increase of \$1.1 billion in school aid spending from the 2016-2017 school year. The majority of the increases have been targeted to high need school districts. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, in keeping with the State’s usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Budget continued to link school aid increases for 2017-18 and 2018-19 to

teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. In addition, the State 2017-18 Budget allows the Governor to reduce aid to school districts mid-year if receipts from the Federal government are less than what was expected. The Legislature then will have 90 days to approve the Governor's plan.

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

School district fiscal year (2019-2020): The Governor's proposed 2019-2020 State Budget provides for school aid of approximately \$27.7 billion, an increase of approximately \$960 million in school aid spending from the 2018-2019 school year. The State Senate and State Assembly have each put forth proposals to increase school aid by approximately \$1.6 billion from the 2018-2019 school year. The deadline for adoption of the State budget is April 1, 2019 and any increases in State aid are subject to negotiation between the Governor and the Legislature.

School district fiscal year (2020-2021): Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget is 3.7 percent lower than in the State's 2019-2020 Enacted Budget but is offset in part with increased Federal support. This reduction in State Operating Funds support will be offset by approximately \$1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 is expected to total \$27.9 billion, an annual increase of approximately \$100 million or 0.4 percent. The State's 2020-2021 Enacted Budget continues prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provides over \$200 million in support for competitive grant programs, including \$1 million for development of a new Civics Education curriculum and \$10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid is continued under existing aid formulas. Out-year growth in School Aid reflects current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorizes the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. See "*State Aid*" herein for a discussion of this provision set forth in the State's 2020-2021 Enacted Budget and recent releases by the State regarding the projected revenue shortfalls in such budget.

The District believes that it would mitigate the impact of any delays or the reduction in State aid by reducing expenditures, increasing revenues, appropriating other available funds on hand, and/or by any combination of the foregoing. (See also "*Market Factors*" herein).

Other Revenues

In addition to property taxes and State Aid, the District receives other revenues from sources as shown in Appendix B.

Independent Audits

The District retained the firm of Bonadio & Co. LLP, Certified Public Accountants, to audit its financial statements for the fiscal year ended June 30, 2019. Appendix B, attached hereto, presents excerpts from the District's most recent audited reports covering the last five fiscal years.

In addition, the District is subject to audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State. (See "*The State Comptroller's Fiscal Stress Monitoring System and Compliance Reviews*" herein.)

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REAL PROPERTY TAXES

Assessed and Full Valuations

Real Property Tax Assessments, Rates and Levies Fiscal Years Ending June 30:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Assessed Values:					
Carmel	\$1,977,424,143	\$1,976,080,474	\$3,478,849,229	\$3,548,432,909 ¹	\$3,608,318,021
Putnam Valley	<u>161,198,646</u>	<u>161,566,766</u>	<u>163,915,451</u>	<u>170,806,696</u>	<u>176,441,255</u>
Total Assessed Values	<u>\$2,138,622,789</u>	<u>\$2,137,647,240</u>	<u>\$3,642,764,680</u>	<u>\$3,719,239,605</u>	<u>\$3,784,759,276</u>
Equalization Rates:(a)					
Carmel	60.00%	59.00%	100.00%	100.00%	100.00%
Putnam Valley	100.00	100.00	100.00	100.00	100.00
Full Values:					
Carmel	3,295,716,905	3,349,288,939	3,478,849,229	3,548,432,909	3,608,318,021
Putnam Valley	<u>161,198,646</u>	<u>161,566,766</u>	<u>163,915,451</u>	<u>170,806,696</u>	<u>176,441,255</u>
Total Full Values	<u>\$3,456,915,551</u>	<u>\$3,510,855,705</u>	<u>\$3,642,764,680</u>	<u>\$3,719,239,605</u>	<u>\$3,784,759,276</u>
Tax Rate Per \$1,000 Assessed Value: ⁽²⁾					
Carmel	41.76	41.81	23.78	23.51	24.17
Putnam Valley	25.10	24.67	23.78	23.46	24.18
Tax Levy ⁽³⁾	<u>\$86,721,754</u>	<u>\$86,629,487</u>	<u>\$86,670,336</u>	<u>\$87,432,241</u>	<u>\$86,528,671</u>
Amount of Levy Uncollected at End of Fiscal Year ⁽⁴⁾	None	None	None	None	None

(1) Reflects revaluation.

(2) Includes library.

(3) Levy as originally adopted per tax warrant. However, annual tax levies may be subject to reduction as a result of tax certiorari claims settlements.

(4) See "Tax Collection Procedure."

Tax Limit

The Constitution does not limit the amount that may be raised by the District-wide tax levy on real estate in any fiscal year. However, Chapter 97 of the New York Laws of 2011, as amended, imposes a statutory limit on the amount of real property taxes that a school district may levy. (See "*The Tax Levy Limit Law*" herein.)

The Tax Levy Limit Law

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

The Tax Levy Limit Law imposes a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the consumer price index, as described in the Law. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy increase in excess of the limit. In the event the voters reject the budget, or a

subsequent resubmitted budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year.

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

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court in Albany County seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a justice of the New York State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. NYSUT subsequently served a second amended complaint seeking a preliminary injunction and challenging the Tax Levy Limitation Law as violative of the Education Article of the New York State Constitution, the Equal Protection and Due Process clauses and the First Amendment. On March 16, 2015 a New York State Supreme Court Justice denied NYSUT's motion for a preliminary injunction and dismissed all causes of action contained in NYSUT's second amended complaint. NYSUT appealed the decision to continue its challenge to the constitutionality of the Tax Levy Limitation Law. On May 5, 2016 the Appellate Division upheld the lower court dismissal, noting that while the State is required to provide the opportunity of a sound basic education, the Constitution "does not require that equal educational offerings be provided to every student", and further noted "the legitimate government interest of restraining crippling property tax increases". Press reports indicate that NYSUT is reviewing the decision and is likely to appeal to the Court of Appeals.

Real Property Tax Rebate

Chapter 59 of the Laws of 2014 ("Chapter 59"), included provisions which provided a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts were eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government were eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depended on such jurisdiction's compliance with the provisions of the Tax Levy Limitation Law. School districts budgets must have complied in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government must have had their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must have been within the tax cap limits set by the Tax Levy Limit Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions included counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which were indirectly affected by applicability to their respective city) and independent special districts.

Certain additional restrictions on the amount of the personal income tax credit were set forth in Chapter 59 in order for the tax cap to qualify as one which would have provided the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount was increased in the second year if compliance occurred in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers was additionally contingent upon adoption by the school district or municipal unit of a state approved "government efficiency plan" which demonstrated "three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies".

Municipalities, school districts and independent special districts were required to provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 did not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they did provide an incentive for such tax levies to remain with the tax cap limits established by the Tax Levy Limit Law. The District complied with the provisions of Chapter 59 and its taxpayers received the rebates provided in 2015 and 2016.

An additional real property tax rebate program applicable solely to school districts was enacted by Chapter 20 of the Laws of 2015, signed into law by the Governor on June 26, 2015 which generally extends the provisions of the program through 2019 and includes continued tax cap compliance.

Tax Collection Procedures

The Board of Education of the District levies real property taxes after such taxes have been approved by the District's voters. District taxes become a lien upon the final adoption of the District tax roll by the Board of Education. Unpaid interest on school taxes is deemed part of the tax and together with such original tax remains a lien until paid.

District taxes are collected by the component towns of the District between September 1 and November 1. Such taxes may be paid during the month of September without interest. Generally, payments received on or after October 1 must include interest computed at 1% per month from September 1. On or about November 1, the various school tax collecting officers transmit a listing of unpaid taxes to the District. A certified listing of unpaid taxes must be transmitted to the County not later than November 15.

Unpaid school taxes with 7% added thereto are relieved by the County and thereafter collected and enforced in the same manner as real property taxes levied for County purposes. The County must remit the full amount of unpaid taxes to the District by April 1 of the succeeding calendar year. Thus the District is guaranteed 100% of its taxes in the year of levy.

STAR - School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of \$86,000 or less, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first \$65,300 for the 2016-17 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$500,000 are eligible for a \$30,000 "full value" exemption on their primary residence. School districts receive full reimbursement from the State for real property taxes exempted pursuant to the STAR program by the first business day in January of each year.

Part A of Chapter 60 of the Laws of 2016 of the State of New York ("Chapter 60") gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-2016 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. However, a new homeowner may receive a new personal income tax credit in the form of a check. The dollar benefit to eligible taxpayers will not change. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-2016 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The State 2017-18 Enacted Budget includes changes to Chapter 60. STAR checks are now expected to be mailed out prior to the date that school taxes are payable. The amount of the check will be based on the previous year's amount adjusted by the levy growth factor used for the property tax cap. Any changes that must be made based on the final STAR credit compared to the estimate used will be factored into the subsequent year's STAR credit check or taxpayers also may account for those changes in their State income taxes.

The 2019-2020 Enacted State Budget makes several changes to the STAR program, which went into effect immediately. The changes are intended to encourage home owners to switch from the STAR exemption to the STAR credit. The income limit for the exemption has been lowered to \$250,000, compared with a \$500,000 limit for the credit. The amount of the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually.

Approximately 9.5% of the District's 2018-19 school tax levy was exempted by the STAR program and the District has received full reimbursement of such exempt taxes from the State. Approximately 8.1% of the District's 2019-20 school tax levy was exempted by the STAR program and the District received full reimbursement of such exempt taxes from the State in January 2020 (See "*State Aid*" herein).

Largest Taxpayers

2019-20 Fiscal Year

<u>Name</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessments (1)</u>
New York City Dept. of Water	City Reservoir	\$228,377,933	6.03%
NYSEG	Public Utility	29,555,308	0.78
Improvements Owner LLC	Shopping Center	17,441,000	0.46
Mahopac Drive In -Theater	Entertainment	10,270,300	0.27
Verizon	Public Utility	9,586,959	0.25
OSSI Sport Club, Inc.	Gym	9,584,300	0.25
Central Hudson Gas & Electric	Public Utility	9,049,099	0.24
Shurgard Storage Centers Inc.	Storage Facility	6,380,100	0.17
Sovran Mahopac 534, LLC	Storage Facility	5,623,300	0.15
Hilltop Manor Realty Corp.	Real Estate	5,021,000	0.13
Total		<u>\$330,889,299</u>	<u>8.74%</u>

(1) Taxable assessments for the 2019-2020 fiscal year were \$3,784,759,276.

DISTRICT INDEBTEDNESS

Constitutional Requirements

The New York State Constitution and Local Finance Law limit the power of the District (and other municipalities and school districts of the State) to issue obligations and to contract indebtedness. Such constitutional and statutory limitations include the following, in summary form, and are generally applicable to the District and the Notes:

Purpose and Pledge. The District shall not give or loan any money or property to or in aid of any individual, or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The District may contract indebtedness only for a District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes, or to be paid in one of the two fiscal years succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the periods of probable usefulness of the objects or purposes determined by statute or, in the alternative, the weighted average period of usefulness of the several objects or purposes for which such indebtedness is to be contracted, no installment may be more than fifty per centum in excess of the smallest prior installment, unless the District has authorized the issuance of indebtedness having substantially level or declining annual debt service. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes.

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the power of the District to increase its annual tax levy. (See "*Nature of the Obligation*" and "*The Tax Levy Limit Law*" herein).

Statutory Procedure

In general, the State Legislature has, by enactment of the Local Finance Law, authorized the power and procedure for the District to borrow and incur indebtedness subject, of course, to the constitutional and provisions set forth above. The power to spend money, however, generally derives from other law, including the Education Law.

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds and notes in anticipation of the bonds. With respect to certain school building construction projects, the District is not permitted to spend in excess of \$100,000 for construction costs until the plans and specification for such project have been approved by the Commissioner of Education of the State.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution, together with a statutory form of notice which, in effect, stops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations.

The Board of Education, as the finance board of the District, has the power to authorize the sale and issuance of bonds and notes, including the Bonds and the Notes. However, such finance board may delegate the power to sell the Bonds and the Notes to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

Debt Limit. Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York provided the aggregate amount thereof shall not exceed ten per centum of the full valuation of taxable real estate of the District and subject to certain enumerated exclusions and deductions such as State aid for building purposes. The constitutional and statutory method for determining full valuation consists of taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined by such authority.

Statutory Debt Limit and Net Indebtedness

**Computation of Debt Contracting Limitation
As of May 14, 2020**

Town	Full Valuation
Carmel	\$3,608,318,021
Putnam Valley	176,441,255
Total Full Valuation	3,784,759,276
Debt Limit - 10% of Full Valuation	\$ 378,475,927

**Statutory Debt Limit and Net Indebtedness
As of May 14, 2020**

	Amount	Percentage
Debt Contracting Limitation: (10% Of The District's Full Valuation)	\$378,475,927	100.00%
Gross Direct Debt (1):		
Serial Bonds	1,235,000	0.33
Bond Anticipation Notes	3,593,960	0.95
	4,828,960	1.28
Less Deductions: (2)	0	0.00
Net Direct Debt	4,828,960	1.28
Debt Contracting Margin	\$373,646,967	98.72%

(1) Does not include energy performance contract lease outstanding in the amount of \$3,883,217 as of June 30, 2019.
(2) The District estimates that it will receive approximately \$3.2 million of State school building aid for outstanding bonds and notes. Such estimate, however, has not been certified by the State and, therefore, no deduction has been taken to compute the District's debt limit.

Tax and Revenue Anticipation Notes

The District is authorized by law to issue tax anticipation notes and revenue anticipation notes to provide cash for operating expenditures. Borrowings for this purpose are restricted by formulas contained in the Local Finance Law and the regulations issued under the U.S. Internal Revenue Code of 1986, as amended. Notes may be renewed from time to time but not beyond three years in the case of revenue anticipation notes or five years for tax anticipation notes.

In common with other school districts in the State, the District finds it necessary from time to time to borrow in anticipation of the receipt of its real property taxes. In the past, the District has paid all notes on their due date, and no notes have been outstanding at the end of the fiscal year. The District has not issued tax anticipation notes during the last five fiscal years.

Budget Notes

Budget notes may be issued to finance current operating expenditures for which there is no appropriation or the amount so appropriated is not sufficient. Generally, the amount of budget notes issued may not exceed 5% of the budget and must be redeemed in the next fiscal year.

Bond Anticipation Notes

Bond anticipation notes may be sold to provide moneys for capital projects once a serial bond resolution has been adopted. Generally, bond anticipation notes are issued in the anticipation of the sale of bonds at some future date and may be renewed from time to time up to five years from the date of the first issuance of the notes. Notes may not be renewed after the second year unless there is a principal payment on such notes from a source other than the proceeds of bonds. In no event, may bond anticipation notes be renewed after the sale of bonds in anticipation of which the notes were originally issued. The following table shows the amount of bond anticipation notes currently outstanding, the purposes for which they were issued, dates of original issuance and the current maturity dates.

<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>Purpose</u>	<u>Outstanding Bond Anticipation Notes</u>
07-31-20	08-04-18	Capital Projects	1,878,960
07-31-20	09-06-18	School Buses and Vans	585,000
07-31-20	09-18-19	School Buses and Vans	1,130,000
			<u>3,593,960</u>

Trend of Capital Indebtedness

The following table provides information relating to direct capital indebtedness outstanding as of June 30 for the last five fiscal years.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Bonds	\$14,405,000	\$11,505,000	\$9,930,000	\$5,265,000	\$1,930,000
Bond Anticipation Notes	<u>1,741,472</u>	<u>1,494,854</u>	<u>1,515,548</u>	<u>1,370,518</u>	<u>4,228,700</u>
Total Outstanding	<u>\$16,146,472</u>	<u>\$12,999,854</u>	<u>\$11,445,548</u>	<u>\$6,635,518</u>	<u>\$6,158,700</u>

(The remainder of this page was intentionally left blank.)

Overlapping and Underlying Debt

In addition to the District, other political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the District. The real property taxpayers of the District are responsible for a proportionate share of outstanding debt obligations of these subdivisions. Such taxpayers' share of overlapping and underlying debt is based on the amount of the District's equalized property values taken as a percentage of each separate unit's total equalized values. The following table presents the amount of overlapping and underlying debt and the District's estimated share of this debt. Authorized but unissued debt has not been included.

Statement of Direct and Overlapping Indebtedness As of May 14, 2020

Gross Direct Indebtedness				\$4,828,960
Exclusions and Deductions				<u>-0-</u>
Net Direct Indebtedness				<u>\$4,828,960</u>
		Net		Applicable
<u>Overlapping Units</u>	<u>Date</u>	<u>Overlapping</u>	<u>Percentage</u>	<u>Net</u>
	<u>Of Report</u>	<u>Indebtedness</u>	<u>Applicable</u>	<u>Indebtedness</u>
County	09-16-19	\$52,963,125	26.17%	\$13,823,376
				0
Towns:				0
Carmel	10-17-19	21,314,416	73.59	15,685,279
Putnam Valley	12-31-18	1,005,000	10.82	<u>108,741</u>
				<u>\$29,617,396</u>

Debt Ratios

The following table presents certain debt ratios relating to the District's indebtedness as of May 14, 2020.

	<u>Amount</u>	<u>Debt</u>	<u>Debt</u>
		<u>Per Capita ⁽¹⁾</u>	<u>to Full</u>
			<u>Value ⁽²⁾</u>
Net Direct Debt	\$4,828,960	\$ 176.34	0.13%
Net Direct & Overlapping Debt	34,446,356	1,257.90	0.91

(1) The population of the District is estimated to be approximately 27,384.

(2) The District's estimated full value of taxable real property for fiscal 2019-20 is 3,784,759,276.

Authorized But Unissued Debt

Following the issuance of the Bonds and the Notes, the District will have \$42,155,100 remaining authorized but unissued debt for purposes of the Project. (See "Authority for and Purpose of the Bonds and the Notes" herein.)

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Debt Service Schedule

The following table shows the annual debt service requirements on all outstanding bonds of the District.

Fiscal Years Ending June 30:	Principal	Interest	Total Debt Service	% Cumulative Principal Paid
2020 ⁽¹⁾	\$695,000	\$66,300	\$761,300	36.01%
2021	720,000	43,850	763,850	73.32
2022	170,000	20,600	190,600	82.12
2023	170,000	13,800	183,800	90.93
2024	175,000	7,000	182,000	100.00
Total	\$1,930,000	\$ 151,550	\$2,081,550	

(1) For entire fiscal year.

ECONOMIC AND DEMOGRAPHIC DATA

Population

Population trends for the Town of Carmel are presented below, together with comparative trends for the County and State.

	<u>Population</u>				
	2000	% Change		2000-2010	2010-2017
	2000	2010	2017		
Carmel (Town)	33,006	34,305	34,328	3.9%	0.1%
County	95,745	99,710	99,464	4.1	(0.2)
State	18,976,457	19,378,102	19,798,228	2.1	2.2

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

Income

The following table indicates comparative income statistics for the Town of Carmel, the County and the State.

	<u>Per Capita Money Income</u>		
	2010	2017	% Increase
Town of Carmel	\$39,060	\$44,260	16.7%
County	37,915	44,063	16.2
State	30,948	35,752	15.5

Source: The U.S. Department of Commerce, Bureau of the Census (American Community Survey 5-Year Estimates).

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Median Income of Families
2017

	<u>Median Income</u>	<u>Under \$25,000</u>	<u>\$25,000 -49,999</u>	<u>\$50,000 -74,999</u>	<u>\$75,000 -99,999</u>	<u>\$100,000 or More</u>
Carmel (Town)	\$100,790	10.5%	12.6%	12.3%	13.8%	50.4%
County	115,601	4.1	9.7	13.4	15.1	57.7
State	77,141	14.6	18.1	16.1	13.1	38.1

Source: The U.S. Department of Commerce, Bureau of the Census (American Community Survey 5-Year Estimates).

Employment

Employment information is not available for the District. The smallest area for which such information is available is the County. It should not be construed, however, that such information is necessarily representative of the District.

Average Employed Civilian Labor Force
2000 - 2019

	<u>2000</u>	<u>2010</u>	<u>2019</u>	<u>% Change</u>	
				<u>2000-2010</u>	<u>2010-2019</u>
Carmel (Town)	17,400	16,700	17,000	(4.0)%	1.8%
County	50,500	48,800	49,300	(3.4)	1.0
State	8,718,700	8,769,700	9,137,600	0.6	4.2

Source: New York State Department of Labor.

Average Unemployment Rates

<u>Year</u>	<u>Town</u>	<u>County</u>	<u>State</u>
2013	6.1%	6.1%	7.7%
2014	5.1	4.9	6.3
2015	4.4	4.3	5.3
2016	4.0	4.0	4.9
2017	4.2	4.2	4.7
2018	3.6	3.7	4.1
2019	3.7	3.7	4.0
2020: ⁽¹⁾			
Jan	4.2	4.0	4.1
Feb	4.2	4.0	3.9
Mar	4.4	4.2	4.4

(1) Monthly rates.

Source: New York State Department of Labor.

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**Major Employers in the County
(PUBLIC SECTOR ONLY)**

<u>Name</u>	<u>Industry or Business</u>	<u>Number of Employees</u>
Mahopac Central School District	Public Education	773
Carmel Central School District	Public Education	712
Putnam County	County Government	794
Brewster Central School District	Public Education	600
Putnam Valley Central School District	Public Education	290
Haldane Central School District	Public Education	155
Town of Carmel	Town Government	131
Town of Kent	Town Government	108

Source: Putnam County Official Statement dated September 2019.

**Major Employers in the County
(PRIVATE SECTOR ONLY)**

<u>Name</u>	<u>Industry or Business</u>	<u>Number of Employees</u>
Putnam Hospital Center	Health Services	900
Green Chimneys	Services	502
Ace Endico	Food Service & Retail	438
Putnam Associated Resource Center	Services	375
Putnam Precision Products, Inc	Manufacturing	290
Cerebral Palsy of Putnam and Dutchess	Services	264
Big V ShopRite Supermarket	Retail	250
Arms Acres, Inc.	Services	230
CareMount Medical PC	Health Services	223
Graymoor	Services	195
Home Depot	Retail	195
Acme Supermarkets (3 locations)	Retail	172
DeCiccio Family Market	Retail	150
TOPS	Retail	125
Stop&Shop	Retail	125
Powers Fasteners, Inc.	Manufacturing	107
Kohl's Department Store	Retail	100
Dairy Conveyor Corp.	Manufacturing	100
Haefly Hipotronics, Inc.	Manufacturing	96
PCSB (4 locations)	Banking	95
Lamothermic Corporation	Manufacturing	80
Silarx Pharmaceuticals, Inc..	Manufacturing	75
Mahopac National Bank	Banking	74
MV Contract Transportation	Transportation	72
Akzo Nobel Corp	Manufacturing	70
Unilock	Retail	70

Source: Putnam County Official Statement dated September 2019.

Financial Institutions

Commercial banks with offices in the District are Country Bank, Hudson United Bank, Key Bank, Mahopac National Bank and Putnam County National Bank.

Transportation

The District is served by all major forms of transportation. Major highways serving the District include Interstate 84 (linking Massachusetts to Scranton, Pennsylvania via Hartford, Connecticut) and Interstate 684 (linking the area to the City of White Plains and the New England Thruway (I-95)). The District is also served by a network of County and town roads. Passenger rail service is available from the Metro North Commuter Railroad (Brewster North Station in Patterson). Commercial air transportation is available at Stewart Airport in Newburgh (approximately 30 miles to the west).

Utilities

Energy East (formerly New York State Electric and Gas) and Verizon provide residents of the District with basic public utilities services. Water and sewer services are comprised of both municipal and private systems.

Housing Data

Housing Units 2000-2017

	Number of Units			% Change	% Change
	2000	2010	2017	2000-2010	2010-2017
Carmel (Town)	11,283	12,348	12,741	9.4%	3.2%
County	35,030	38,224	38,578	9.1	0.9
State	7,679,307	8,108,103	8,255,911	5.6	1.8

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

Median Values, Rents and Occupancy Status 2017

	% Constructed 2010-2017	Median Value Owner Occupied Units	Median Rents Renter Occupied Units	Occupancy Status		
				Owner Occupied	Renter Occupied	Vacant ⁽¹⁾
Carmel (Town)	0.9%	\$376,300	\$1,292	75.0%	17.3%	7.7%
County	0.4	357,700	1,334	72.8	16.1	11.1
State	1.7	293,000	1,194	47.8	40.7	11.5

(1) Includes occasional use units as well as units vacant pending sale or rental.

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

End of Appendix A

APPENDIX B

**UNAUDITED SUMMARY OF FINANCIAL STATEMENTS
AND ADOPTED BUDGETS**

MAHOPAC CENTRAL SCHOOL DISTRICT
GENERAL FUND
BALANCE SHEET
AS OF JUNE 30:
UNAUDITED PRESENTATION

	As of June 30:				
	2015	2016	2017	2018	2019
ASSETS					
Unrestricted Cash	\$ 15,086,041	\$ 15,371,036	\$ 11,582,640	\$ 13,147,074	\$ 3,133,885
Restricted Cash	6,251,510	5,876,894	8,860,181	8,679,738	1,006
Investments	0	0	0	0	18,318,423
Receivables:					
Accounts	50,607	186,381	614,120	219,406	315,276
State and Federal Aid Receivable	3,900,066	3,760,324	3,869,568	3,965,587	4,550,528
Due From Other Governments	2,995,000	2,555,000	2,090,000	1,605,000	1,090,000
Due From Other Funds	415,190	480,628	642,023	511,023	549,644
Other Receivables	0	0	0	0	0
	0	0	0	0	0
Total Assets	\$ 28,698,414	\$ 28,230,263	\$ 27,658,532	\$ 28,127,828	\$ 27,958,762
DEFERRED INFLOW OF RESOURCES					
Deferred Revenue - State Aid	0	961,543	961,543	961,543	961,543
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Payable and accrued liabilities	\$ 2,593,731	\$ 2,627,101	\$ 2,163,427	\$ 2,318,695	\$ 2,993,560
Due To Other Funds	1,581,908	1,465,862	0	1,398,324	785,098
Due To Retirement Systems	9,026,239	7,482,009	6,804,843	5,922,192	6,333,376
Unearned Revenues	2,995,000	2,610,435	2,143,101	1,660,688	1,145,688
Total Liabilities	16,196,878	14,185,407	11,111,371	11,299,899	11,257,722
Fund Equity:					
Restricted	6,251,510	7,247,473	8,860,181	8,679,738	8,049,681
Assigned	2,826,233	2,334,298	1,913,177	3,798,643	2,790,991
Unassigned	3,423,793	3,501,542	4,812,260	3,388,005	4,898,825
Total Fund Equity	12,501,536	13,083,313	15,585,618	15,866,386	15,739,497
Total Liabilities and Fund Equity	\$ 28,698,414	\$ 28,230,263	\$ 27,658,532	\$ 28,127,828	\$ 27,958,762

The financial data presented on this page has been excerpted from the audited financial statements of the District.

Such presentation, however, has not been audited.

Complete copies of the District's audited financial statements are available upon request to the District.

MAHOPAC CENTRAL SCHOOL DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30:
UNAUDITED PRESENTATION

As of June 30:

	2015	2016	2017	2018	2019
REVENUES:					
Real Property Taxes	\$ 73,115,341	\$ 73,616,926	\$ 74,592,342	\$ 75,263,532	\$ 76,626,806
Real Property Tax Items	10,213,851	10,266,311	9,464,001	8,770,518	8,199,723
Charges For Services	113,979	115,868	153,290	201,836	559,465
Use Of Money And Property	295,780	234,203	327,473	314,669	1,043,523
Sale Of Property And Compensation For Loss	50,585	33,530	15,520	21,929	36,411
State Sources	28,198,571	29,986,562	31,940,794	32,229,062	32,593,438
Medicaid Reimbursement	169,110	156,419	174,869	181,154	295,793
Federal Sources	0	0	0	0	0
Miscellaneous	1,960,714	1,845,271	1,623,332	1,198,742	1,812,971
Total Revenues	114,117,931	116,255,090	118,291,621	118,181,442	121,168,130
EXPENDITURES:					
Current:					
General Support	10,673,326	10,904,031	10,146,615	10,904,089	10,723,650
Instruction	63,173,091	65,943,379	67,429,306	68,545,987	70,026,684
Pupil Transportation	5,555,183	5,443,634	5,708,962	5,740,291	6,352,490
Employee Benefits	28,609,169	28,080,916	27,292,023	27,569,264	28,590,289
Debt Service	5,133,141	5,132,216	4,870,499	4,895,923	4,865,942
Total Expenditures	113,143,910	115,504,176	115,447,405	117,655,554	120,559,055
Excess of Revenues Over Expenditures	974,021	750,914	2,844,216	525,888	609,075
OTHER FINANCING SOURCES (USES):					
Transfers - In	0	0	50,323	0	100,000
Transfers - Out	(1,433,611)	(169,128)	(392,234)	(245,120)	(835,964)
Total Other Financing Sources (Uses)	(1,433,611)	(169,128)	(341,911)	(245,120)	(735,964)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(459,590)	581,786	2,502,305	280,768	(126,889)
Fund Equity - Beginning of Year	12,961,126	12,501,536	13,083,313	15,585,618	15,866,386
Prior Period Adjustment	0	0	0	0	0
Fund Equity - End of Year	12,501,536	13,083,322	15,585,618	15,866,386	15,739,497

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

MAHOPAC CENTRAL SCHOOL DISTRICT
GENERAL FUND
STATEMENT OF ESTIMATED REVENUES AND APPROPRIATIONS

		Adopted Budget 2019-20

ESTIMATED REVENUES:		
Real Property Taxes	\$	86,528,671
Other Tax Items		50,000
Charges For Services		280,000
Use Of Money And Property		1,070,816
Sale of Property and Compensation For Loss		5,000
State Aid		31,642,618
Miscellaneous		638,450

TOTAL ESTIMATED REVENUES		120,215,555

APPROPRIATED FUND BALANCE		2,422,058

TOTAL ESTIMATED REVENUES AND APPROPRIATED FUND BALANCE	\$	122,637,613

APPROPRIATIONS:		
General Support	\$	11,302,606
Instruction		71,472,947
Pupil Transportation		6,605,849
Employee Benefits		29,581,490
Debt Service		3,462,081
Interfund Transfers		212,640

TOTAL APPROPRIATIONS	\$	122,637,613

APPENDIX C

**LINK TO
INDEPENDENT AUDITORS' REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

Can be accessed on the Electronic Municipal Market Access (“EMMA”) website
of the Municipal Securities Rulemaking Board (“MSRB”)
at the following link:

<https://emma.msrb.org/ER1406198.pdf>

The audited financial statements referenced above are hereby incorporated into the attached Official Statement.

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

APPENDIX D

**FORMS OF APPROVING LEGAL OPINIONS OF BOND COUNSEL
FOR THE BONDS**

Hawkins Delafield & Wood LLP
7 World Trade Center, 250 Greenwich Street
New York, New York 10007

June 9, 2020

The Board of Education of
Mahopac Central School District, in the
County of Putnam, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to Mahopac Central School District (the “School District”), in the County of Putnam, New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$9,005,000 School District Serial Bonds-2020 Series A (the “Bonds”), dated and delivered the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Concurrently with the issuance of the Bonds, the School District is issuing its \$2,000,000 Bond Anticipation Notes-2020 (the “Notes”). The Notes are treated, together with the Bonds, as a single issue for Federal tax purposes. We have served as bond counsel with respect to the issuance of the Notes and, on the date hereof, have rendered our opinion with respect to the exclusion of interest on the Notes from gross income for Federal income tax purposes in substantially the form of paragraph 2 below and subject to the same conditions and limitations set forth herein. Noncompliance with such conditions and limitations may cause interest on both the Bonds and the Notes to become subject to Federal income taxation retroactive to the date of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

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

1. The Bonds are valid and legally binding general obligations of the School District for which the School District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the School District is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency, or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded

from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. Bond Counsel further is of the opinion that, for any Bonds having original issue discount (a “Discount Bond”), original issue discount that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Bonds.

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

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

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

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

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement related to the Bonds or any proceedings,

reports, correspondence, financial statements or other documents, containing financial or other information relative to the School District, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Bonds.

Very truly yours,

/s/ Hawkins Delafield & Wood LLP

Hawkins Delafield & Wood LLP
7 World Trade Center, 250 Greenwich Street
New York, New York 10007

June 9, 2020

The Board of Education of
Mahopac Central School District, in the
County of Putnam, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to Mahopac Central School District (the “School District”), in the County of Putnam, New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$800,000 School District Serial Bonds-2020 Series B (Federally Taxable) (the “Bonds”), dated and delivered the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

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

1. The Bonds are valid and legally binding general obligations of the School District for which the School District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the School District is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency, or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

2. Interest on the Bonds is included in gross income for Federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended.

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

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Note, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the

preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters relating to the Note.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement related to the Bonds or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the School District, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Bonds.

Very truly yours,

/s/ Hawkins Delafield & Wood LLP

APPENDIX E

**FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL
FOR THE NOTES**

Hawkins Delafield & Wood LLP
7 World Trade Center, 250 Greenwich Street
New York, New York 10007

June 9, 2020

The Board of Education of the
Mahopac Central School District,
in the County of Putnam, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Mahopac Central School District, (the “School District”), in the County of Putnam, a school district of the State of New York and have examined a record of proceedings relating to the authorization, sale and issuance of the \$2,000,000 Bond Anticipation Note-2020 (the “Note”), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Concurrently with the issuance of the Note, the School District is issuing its \$9,005,000 School District Serial Bonds-2020 (the “Bonds”). The Note is treated, together with the Bonds, as a single issue for federal tax purposes. We have served as Bond Counsel with respect to the issuance of the Bonds and, on the date hereof, we have rendered our opinion with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes in substantially the form of paragraph 2 below and subject to the same conditions and limitations set forth herein. Noncompliance with such conditions and limitations may cause interest on both the Note and the Bonds to become subject to federal income taxation retroactive to the date of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

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

1. The Note are a valid and legally binding general obligation of the School District for which the School District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the School District is subject to the levy of ad valorem real estate taxes to pay the Note and interest thereon without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Note may be limited by bankruptcy, insolvency, or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Note is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Note is not treated as a preference item in calculating the alternative minimum tax under the Code.

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

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

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

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

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Note, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Note.

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

Very truly yours,

APPENDIX F

**FORMS OF UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE
FOR THE BONDS**

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

“Annual Information” shall mean the information specified in Section 3 hereof.

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

“Financial Obligation” shall mean “financial obligation” as such term is defined in the Rule.

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

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

“Issuer” shall mean Mahopac Central School District, in the County of Putnam, a school district of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

“Purchaser” shall mean the financial institution referred to in the Certificate of Award, executed by the President of the Board of Education as of May 28, 2020.

“Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, as in effect on the date of this Undertaking, including any official interpretations thereof issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

“Securities” shall mean the Issuer’s **\$9,005,000 School District Serial Bonds-2020 Series A**, dated June 9, 2020, maturing in various principal amounts on June 1 in each of the years 2022 to 2036, inclusive, and the **\$800,000 School District Serial Bonds-2020 Series B (Federally Taxable)**, dated June 9, 2020, maturing in various principal amounts on June 1 in each of the years 2022 to 2035, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided to the EMMA System:

- (i) no later the last day of the sixth month following the fiscal year ending June 30, 2020, the Annual Information relating to such fiscal year, together with audited financial statements of the Issuer for such fiscal year if audited financial statements are then available; provided, however, that if audited financial statements are not then available, unaudited financial statements

shall be provided with the Annual Information, and audited financial statements, if any, shall be delivered to the EMMA System within thirty (30) days after they become available and in no event later than 360 days after the end of each fiscal year; and

- (ii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Securities:
 - (1) principal and interest payment delinquencies;
 - (2) non-payment related defaults, if material;
 - (3) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) substitution of credit or liquidity providers, or their failure to perform;
 - (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
 - (7) modifications to rights of Securities holders, if material;
 - (8) Bond calls, if material, and tender offers;
 - (9) defeasances;
 - (10) release, substitution, or sale of property securing repayment of the Securities, if material;
 - (11) rating changes;
 - (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, 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 Issuer;

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

- (iii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide by the date set forth in Section 2(a)(i) hereof any Annual Information required by Section 3 hereof.

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

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

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the headings: "The District", "District Indebtedness", "Financial Factors", "Economic and Demographic Data", and "Litigation" and in Appendix B.

(b) All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which are (i) available to the public on the EMMA System or (ii) filed with the SEC. If such a document is a final official statement, it also must be available from the EMMA System.

(c) Annual Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(e) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year, if prepared, shall be prepared in accordance with GAAP or New York State regulatory requirements as in effect from time to time. Such financial statements, if prepared, shall be audited by an independent accounting firm. The Issuer's Annual Financial Report Update Document prepared by the Issuer and filed annually with New York State in accordance with applicable law, shall not be subject to the foregoing requirements.

Section 5. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 6. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 7. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or
- (f) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 7 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 8. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased pursuant to their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

In addition, this Agreement, or any provision hereof, shall be null and void in the event that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise.

Section 9. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 10. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **June 9, 2020**.

MAHOPAC CENTRAL SCHOOL DISTRICT

By _____
President of the Board of Education
and Chief Fiscal Officer

APPENDIX G

**FORM OF UNDERTAKING TO PROVIDE NOTICES OF EVENTS
FOR THE NOTES**

FORM OF UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

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

“Financial Obligation” shall mean “financial obligation” as such term is defined in the Rule.

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

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

“Issuer” shall mean the Mahopac Central School District, in the County of Putnam, a municipal corporation of the State of New York.

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

“Purchaser” shall mean the financial institution referred to in the Certificate of Determination, executed by the President of the Board of Education as of the date hereof.

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

“Securities” shall mean the Issuer’s \$2,000,000 Bond Anticipation Note-2020, dated June 9, 2020, maturing on June 9, 2021, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through **Capital Markets Advisors, LLC, 822 Route 82, Suite 310, Hopewell Junction, New York 12533**, to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;

- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other events affecting the tax status of the Securities;
- (7) modifications to rights of Securities holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, 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 Issuer;

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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;

- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation, of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

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

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

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

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

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

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

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

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

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

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

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of June 9, 2020.

MAHOPAC CENTRAL SCHOOL DISTRICT, NEW YORK

By _____
President of the Board of Education