

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 2, 2024

**RENEWAL ISSUE
BOND ANTICIPATION NOTES**

RATINGS: See “RATINGS” 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 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 Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on 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” herein.)

*The District **WILL NOT** designate the Notes as “qualified tax-exempt obligations” pursuant to the provisions of Section 265(b)(3) of the Code.*

**NORTH SHORE CENTRAL SCHOOL DISTRICT
NASSAU COUNTY, NEW YORK**

**\$21,260,000 BOND ANTICIPATION NOTES – 2024
(the “Notes”)**

Date of Issue: April 25, 2024

Maturity Dates: April 25, 2025

The Notes are general obligations of the North Shore Central School District, Nassau 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 Notes and, unless paid from other sources, the 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 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 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(s), 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(s).

If the Notes are issued in book-entry form, such notes will be delivered to DTC, which will act as Securities Depository for such Notes. Said Notes will be registered to Cede & Co. as partnership nominee for DTC. 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 Notes issued in book-entry-only form. Payment of the principal of and interest on such Notes will be made by the Village to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of such Notes as described herein. (See “*Book-Entry Only System*” herein.)

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and certain other conditions. It is anticipated that delivery of the Notes will be made on or about April 25, 2024, 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 UNDERTAKINGS*,” HEREIN.

DATED: April __, 2024

**NORTH SHORE CENTRAL SCHOOL DISTRICT
NASSAU COUNTY, NEW YORK**

2023-24 Board of Education

DR. ANDREA MACARI.....President
LISA COLACIOPPO Vice President
LISA CASHMAN.....Trustee
RICHARD GALATI.....Trustee
DAVE LUDMARTrustee
MARIA MOSCATrustee
MARIANNE M. RUSSOTrustee

DR. CHRISTOPHER ZUBLIONISSuperintendent of Schools
JAMES PAPPAS..... Assistant Superintendent for Business
DR. CAROLANN SMYTH Assistant Superintendent for Instruction
ELIZABETH CIAMPI.....District Clerk
HALEH BONVAN District Treasurer
FRAZER & FELDMAN, LLPDistrict Counsel

BOND COUNSEL

**HAWKINS DELAFIELD & WOOD LLP
New York, New York**

FINANCIAL ADVISOR

**CAPITAL MARKETS ADVISORS, LLC
Great Neck, New York
(516) 487-9817**

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 Notes 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

**NORTH SHORE CENTRAL SCHOOL DISTRICT
NASSAU COUNTY, NEW YORK**

relating to

**\$21,260,000
BOND ANTICIPATION NOTES – 2024
(the “Notes”)**

This Official Statement, which includes the cover page, inside cover page and appendices hereto, presents certain information relating to the North Shore Central School District, in Nassau County, in the State of New York (the “District,” “County,” and “State,” respectively), in connection with the sale of \$21,260,000 Bond Anticipation Notes – 2024 (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 Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

THE NOTES

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 the Notes. Paying agent fees, if any, for non-book-entry notes will be paid by the purchaser(s). The District’s contact information is Mr. James Pappas, Assistant Superintendent for Business, telephone number (516) 277-7815, email: pappasjr@northshoreschools.org.

Authority for and Purpose of the Notes

The Notes are issued pursuant to the Constitution and laws of the State, and a bond resolution (the “Bond Resolution”) adopted by the Board of Education of the District on December 12, 2019, following approval of a proposition by a majority of the voters of the District voting thereon at a Special District Meeting held on December 10, 2019, authorizing the issuance of not to exceed \$39,899,786 of bonds or notes to fund the construction of improvements and alterations to District buildings and sites. The proceeds from the sale of the Notes, together with \$394,296 in available funds, will be used to redeem the District’s outstanding \$21,654,296 Bond Anticipation Notes – 2023 at maturity.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Nature of Obligation

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

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 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 Notes are being issued to refinance voter approved capital expenditures, the 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.)

Upon default in the payment of principal of or interest on the Notes or certain other obligations of the District, the State Comptroller is required, under the conditions and to the extent prescribed by Section 99-b of the State Finance Law, to withhold state aid and assistance to the District and apply the amount thereof so withheld to the payment of defaulted principal and interest with respect to said Notes and said other obligations.

REMEDIES UPON DEFAULT

Neither the Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Notes should the District default in the payment of principal of or interest on the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Notes upon the occurrence of any such default. 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 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 Notes, the owners of such 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 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 Notes and the proceedings with respect thereto all of which are included in the contract with the owners of 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 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.

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 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 those Notes issued in book-entry form. The Notes issued in book-entry form will be issued as fully-registered 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 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 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for 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 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 Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all 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 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 Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such 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 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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on 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 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 NOTES OR (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO 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 NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF 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 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 NOTES.

RISK FACTORS

There are certain potential risks associated with an investment in 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 Notes.

In addition, if and when a holder of any of the Notes should elect to sell a 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 Notes. The price or principal value of 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 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 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 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).

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.

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.

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.

LITIGATION

In common with other school districts, the District from time to time receives notices of claim and is party to litigation. Except as otherwise set forth herein and apart from matters provided for by applicable insurance coverage, the attorneys for the District are unaware of any claims or action pending which, if determined against the District, would have an adverse material effect on the financial condition of the District.

National Grid Generation LLC, and Keyspan Gas East Corporation d/b/a National Grid v. Nassau County, et al., Index No.: 601498-2019. (Supreme Court, Nassau County). On May 30, 2019, Plaintiffs served the District with a Verified Complaint asserting the same claims raised in the matter captioned **National Grid Generation LLC, and Keyspan Gas East Corporation d/b/a National Grid v. Nassau County, et al.** (Index No.: 601451-2018) as described hereinbelow for the 2018-2019 tax year. In June 2019, the parties stipulated that the District's time to answer or move with respect to the Verified Complaint will be held in abeyance and extended without date pending resolution of the case captioned **National Grid Generation LLC, et al. v. Nassau County, et al.**, Index No.: 601451-2018, and any and all appeals related thereto. A summary of the history and status of the foregoing matter is as follows:

National Grid Generation LLC, and Keyspan Gas East Corporation d/b/a National Grid v. Nassau County, et al., Index No.: 601451-2018 (Supreme Court, Nassau County). *National Grid Generation LLC, and Keyspan Gas East Corporation d/b/a National Grid ("Plaintiffs") commenced an action against the Nassau County Department of Assessment, James Davis, Acting Assessor Nassau County, the Nassau County Legislature, the Town of North Hempstead, the Receiver of the Town of North Hempstead, the District, Storm Water Resources Zone, Glenwood Fire Protection District, Library Funding District – Go, and Glenwood Water District by Verified Complaint. By their Complaint, Plaintiffs seek monetary damages, declaratory and injunctive relief based on alleged errors in assessment by the Nassau County Defendants in connection with the assessed value of the Glenwood Power Plant, which was allegedly reduced after certain demolition occurred between 2012 and 2015. Plaintiffs allege that the Nassau County Defendants erroneously determined and applied base proportions, class tax shares and tax rates in each of the taxing jurisdictions where the Glenwood Power Plant is located for the 2014-2015 tax year and all subsequent tax years under the provisions of Article 18 of the Real Property Tax Law. Plaintiffs advance most of their claims against the Nassau County Defendants and a generic cause of action declaring that Chapter 191 of the Laws of 2001 unconstitutional. Of the seven causes of action asserted by Plaintiffs, only one is squarely alleged as and against the District. Plaintiffs seek a refund of their alleged overpayments of property taxes from all of the Defendants, including the District, which Plaintiffs contend were the direct result of the Nassau County Defendants' erroneous and illegal acts.*

By notice of motion dated August 31, 2018, the District moved to dismiss the action asserted against the District as a matter of law on the following grounds: (1) Plaintiffs failed to state a cause of action for which relief can be granted, including its failure to comply with the statutory condition precedent to filing a claim against the District under Section 3813(1) of the Education Law; (2) the District is not lawfully responsible for the actions for which Plaintiffs complain and the assessment functions and alleged errors for which they complain are solely the responsibility of the Nassau County Defendants; (3) the District is not liable for any errors in assessment or refunds for such errors under the Nassau County Guaranty; (4) Plaintiffs' action is otherwise time-barred. On February 14, 2019, (entered on February 15, 2019) the Supreme Court of Nassau County granted the District's motion to dismiss the action asserted against the District as a matter of law. The Court found that refunds could not be sought from the District based on the fact that the Nassau County Guaranty requires the County to refund any ad valorem levies that are judicially determined to have been invalidly imposed upon a property owner. The Court did

not address any of the District's other arguments as outlined above. The Nassau County Defendants filed a notice of appeal of the Court's decision and order, naming the District as a Respondent. Plaintiffs filed a notice of cross appeal, which also named the District as a Respondent. The appeal and cross-appeal were withdrawn by the Nassau County Defendants and Plaintiffs in December of 2019 and February of 2020, respectively.

By Decision and Order dated October 11, 2022, and entered on October 14, 2022, the Supreme Court of Nassau County denied Plaintiffs' motion for summary judgment and granted Defendants' motion for summary judgment dismissing the matter. On November 15, 2022, Plaintiff filed a motion to reargue the October 11, 2022 Decision and Order, which is currently pending before the Supreme Court of Nassau County. On November 14, 2022, Plaintiffs-Appellants filed a Notice of Appeal of October 11, 2022 Decision and Order with the Appellate Division, Second Department. Said Appeal is currently pending before the Appellate Division, Second Department under Docket No. 2022-09588.

National Grid Generation LLC, and Keyspan Gas East Corporation d/b/a National Grid v. Nassau County, et al., Index No.: 601519-2020. (Supreme Court, Nassau County). On June 3, 2020, Plaintiffs served the District with a Verified Complaint asserting the same claims raised in the matter captioned **National Grid Generation LLC, and Keyspan Gas East Corporation d/b/a National Grid v. Nassau County, et al.** (Index No.: 601451-2018) for the 2019-2020 tax year. In June 2020, the parties stipulated that the District's time to answer or move with respect to the Verified Complaint will be held in abeyance and extended without date pending resolution of the case captioned **National Grid Generation LLC, et al. v. Nassau County, et al.**, Index No.: 601451-2018, and any and all appeals related thereto. A summary of the history and status of the foregoing matter is set forth herein above.

National Grid Generation LLC, and Keyspan Gas East Corporation d/b/a National Grid v. Nassau County, et al., Index No.: 600957-2021. (Supreme Court, Nassau County). On May 10, 2021, Plaintiffs served the District with a Verified Complaint asserting the same claims raised in the matter captioned **National Grid Generation LLC, and Keyspan Gas East Corporation d/b/a National Grid v. Nassau County, et al.** (Index No.: 601451-2018) for the 2020-2021 tax year. In May 2021, the parties stipulated that the District's time to answer or move with respect to the Verified Complaint will be held in abeyance and extended without date pending resolution of the case captioned **National Grid Generation LLC, et al. v. Nassau County, et al.**, Index No.: 601451-2018, and any and all appeals related thereto. A summary of the history and status of the foregoing matter is set forth herein above.

National Grid Generation LLC, and Keyspan Gas East Corporation d/b/a National Grid v. Nassau County, et al., Index No.: 601191-2022. (Supreme Court, Nassau County). On May 12, 2022, Plaintiffs served the District with a Verified Complaint asserting the same claims raised in the matter captioned **National Grid Generation LLC, and Keyspan Gas East Corporation d/b/a National Grid v. Nassau County, et al.** (Index No.: 601451-2018) for the 2021-2022 tax year. In May 2022, the parties stipulated that the District's time to answer or move with respect to the Verified Complaint will be held in abeyance and extended without date pending resolution of the case captioned **National Grid Generation LLC, et al. v. Nassau County, et al.**, Index No.: 601451-2018, and any and all appeals related thereto. A summary of the history and status of the foregoing matter is set forth herein above.

National Grid Generation LLC, and Keyspan Gas East Corporation d/b/a National Grid v. Nassau County, et al., Index No.: 606747-2023. (Supreme Court, Nassau County). On August 16, 2023, Plaintiffs served the District with a Verified Complaint asserting the same claims raised in the matter captioned **National Grid Generation LLC, and Keyspan Gas East Corporation d/b/a National Grid v. Nassau County, et al.** (Index No.: 601451-2018) for the 2022-2023 tax year. In August 2023, the parties stipulated that the District's time to answer or move with respect to the Verified Complaint will be held in abeyance and extended without date pending resolution of the case captioned **National Grid Generation LLC, et al. v. Nassau County, et al.**, Index No.: 601451-2018, and any and all appeals related thereto. A summary of the history and status of the foregoing matter is set forth herein above.

New York American Water Company, Inc. v. Nassau County, et al., Index No.: 601499-2019 (Supreme Court, Nassau County). On May 30, 2019, New York American Water Company, Inc. ("NYAW") served the District with a Verified Complaint asserting the same arguments raised in the matter captioned **New York American Water Company, Inc. v. Nassau County, et al.** (Index No.: 601452-2018) as described hereinbelow for the 2018-2019 tax year. In June 2019, the parties stipulated that the District's time to answer or move with respect to the Verified

Complaint will be held in abeyance and extended without date pending resolution of the case captioned New York American Water Company, Inc. v. Nassau County, et al., Index No.: 601452-2018, and any and all appeals related thereto. A summary of the history and status of the foregoing matter is as follows:

New York American Water Company, Inc. v. Nassau County, et al., Index No.: 601452-2018 (Supreme Court, Nassau County). *New York American Water Company, Inc.* (“NYAW”) commenced an action against Nassau County, The Nassau County Department of Assessment, James Davis, Acting Assessor of Nassau County, the Nassau County Legislature, The Town of Oyster Bay, The Receiver of Taxes of Oyster Bay and The District by Verified Complaint. By its Complaint, NYAW seeks monetary damages, declaratory and injunctive relief based on alleged errors in assessment by the Nassau County Defendants in connection with the assessed value of the Glenwood Power Plant, which was allegedly reduced after certain demolition occurred between 2012 and 2015. NYAW alleges that the Nassau County Defendants erroneously determined and applied base proportions, class tax shares and tax rates in each of the taxing jurisdictions where the Glenwood Power Plant is located for the 2014-2015 tax year and all subsequent tax years under the provisions of Article 18 of the Real Property Tax Law. NYAW advances most of its claims against the Nassau County Defendants and a generic cause of action declaring that Chapter 191 of the Laws of 2001 unconstitutional. Of the seven causes of action asserted by NYAW, only one is squarely alleged as and against the District. NYAW seeks a refund of its alleged overpayments of property taxes from all of the Defendants, including the District, which NYAW contends were the direct result of the Nassau County Defendants’ erroneous and illegal acts.

By notice of motion dated August 31, 2018, the District moved to dismiss the action asserted against the District as a matter of law on the following grounds: (1) NYAW failed to state a cause of action for which relief can be granted, including its failure to comply with the statutory condition precedent to filing a claim against the District under Section 3813(1) of the Education Law; (2) the District is not lawfully responsible for the actions for which NYAW complains and the assessment functions and alleged errors for which it complains are solely the responsibility of the Nassau County Defendants; (3) the District is not liable for any errors in assessment or refunds for such errors under the Nassau County Guaranty; (4) NYAW’s action is otherwise time-barred. On February 14, 2019, (entered on February 15, 2019) the Supreme Court of Nassau County granted the District’s motion to dismiss the action asserted against the District as a matter of law. The Court found that refunds could not be sought from the District based on the fact that the Nassau County Guaranty requires the County to refund any ad valorem levies that are judicially determined to have been invalidly imposed upon a property owner. The Court did not address any of the District’s other arguments as outlined above. The Nassau County Defendants filed a notice of appeal of the Court’s decision and order, naming the District as a Respondent. NYAW filed a notice of cross appeal, which also named the District as a Respondent. The appeal and cross-appeal were withdrawn by the Nassau County Defendants and Plaintiffs in December of 2019 and February of 2020, respectively.

By Decision and Order dated October 11, 2022, and entered on October 14, 2022, the Supreme Court of Nassau County denied Plaintiffs’ motion for summary judgment and granted Defendants’ motion for summary judgment dismissing the matter. On November 15, 2022, Plaintiff filed a motion to reargue the October 11, 2022 Decision and Order, which is currently pending before the Supreme Court of Nassau County. On or about November 14, 2022, Plaintiffs-Appellants filed a Notice of Appeal of October 11, 2022 Decision and Order with the Appellate Division, Second Department. Said Appeal is currently pending before the Appellate Division, Second Department under Docket No. 2022-09589.

New York American Water Company, Inc. v. Nassau County, et al., Index No.: 601518-2020 (Supreme Court, Nassau County). On June 3, 2020, New York American Water Company, Inc. (“NYAW”) served the District with a Verified Complaint asserting the same arguments raised in the matter captioned New York American Water Company, Inc. v. Nassau County, et al. (Index No.: 601452-2018) for the 2019-2020 tax year. In June 2020, the parties stipulated that the District’s time to answer or move with respect to the Verified Complaint will be held in

abeyance and extended without date pending resolution of the case captioned *New York American Water Company, Inc. v. Nassau County, et al.*, Index No.: 601452-2018, and any and all appeals related thereto. A summary of the history and status of the foregoing matter is set forth herein above.

New York American Water Company, Inc. v. Nassau County, et al., Index No.: 600965-2021 (Supreme Court, Nassau County). On May 10, 2021, New York American Water Company, Inc. (“NYAW”) served the District with a Verified Complaint asserting the same arguments raised in the matter captioned *New York American Water Company, Inc. v. Nassau County, et al.* (Index No.: 601452-2018) for the 2020-2021 tax year. In May 2021, the parties stipulated that the District’s time to answer or move with respect to the Verified Complaint will be held in abeyance and extended without date pending resolution of the case captioned *New York American Water Company, Inc. v. Nassau County, et al.*, Index No.: 601452-2018, and any and all appeals related thereto. A summary of the history and status of the foregoing matter is set forth herein above.

Liberty Utilities (New York Water) Corp. f/k/a New York American Water Company, Inc. v. Nassau County, et al., Index No.: 601186-2022 (Supreme Court, Nassau County). On May 12, 2022, Liberty Utilities (formerly New York American Water Company, Inc.) served the District with a Verified Complaint asserting the same arguments raised in the matter captioned *New York American Water Company, Inc. v. Nassau County, et al.* (Index No.: 601452-2018) for the 2021-2022 tax year. In May 2022, the parties stipulated that the District’s time to answer or move with respect to the Verified Complaint will be held in abeyance and extended without date pending resolution of the case captioned *New York American Water Company, Inc. v. Nassau County, et al.*, Index No.: 601452-2018, and any and all appeals related thereto. A summary of the history and status of the foregoing matter is set forth herein above.

Liberty Utilities (New York Water) Corp. f/k/a New York American Water Company, Inc. v. Nassau County, et al., Index No.: 606844-2023 (Supreme Court, Nassau County). On August 16, 2023, Liberty Utilities (formerly New York American Water Company, Inc.) served the District with a Verified Complaint asserting the same arguments raised in the matter captioned *New York American Water Company, Inc. v. Nassau County, et al.* (Index No.: 601452-2018) for the 2022-2023 tax year. In August 2023, the parties stipulated that the District’s time to answer or move with respect to the Verified Complaint will be held in abeyance and extended without date pending resolution of the case captioned *National Grid Generation LLC, et al. v. Nassau County, et al.*, Index No.: 601451-2018, and any and all appeals related thereto. A summary of the history and status of the foregoing matter is set forth herein above.

Icon Constr. Gr. Inc. vs. North Shore Central School District, Index No. 612777/2023 (Nassau Cty Supreme 2023): On August 10, 2023, the plaintiff, Icon Constr. Gr. Inc. (the “Plaintiff”) commenced this action by summons with notice. On January 3, 2024, the Plaintiff filed a complaint alleging causes of action for breach of contract and unjust enrichment arising out of a construction contract with the District for improvements to three elementary school buildings under the District’s 2019 Capital Project Phase II (the “Project”). The Plaintiff seeks damages in an amount to be determined at trial but not less than \$2,500,000, together with interest, costs, expenses, disbursements, attorneys’ fees and other damages. By motion dated January 22, 2024, the District moved for partial dismissal of the Plaintiff’s unjust enrichment cause of action, on the grounds that the Plaintiff cannot recover under unjust enrichment where the parties have entered into a legally binding contract that governs the Project and any disputes thereunder. The District’s motion remains pending. The District believes that the Plaintiff does not have a strong case and is vigorously defending the case based upon a strategy of moving for dismissal and/or summary judgment, as well as interposing counterclaims and/or third-party claims for damages where appropriate. A summary of the history and status of the foregoing matter is set forth herein above.

Plaintiff (on behalf of minor daughter) v. North Shore Central School District et al., Docket No. 23-cv-06712 (Eastern District of New York). The District received a Notice of Claim from the Plaintiff alleging racial discrimination claims against her minor daughter (“MD”). She seeks damages in the amount of \$10,000,000 for MD’s emotional injuries and \$2,000,000 for her own emotional injuries. The Plaintiff and MD were deposed pursuant to Gen. Mun. Law § 50-h on January 31, 2023 and March 10, 2023, respectively. On September 13, 2023, the Plaintiff filed a Federal lawsuit based on the same allegations. She asserted race discrimination and retaliation claims, Equal Protection violations, New York State Human Rights Law violations and an intentional infliction of emotional distress. The parties have exchanged initial disclosures and are preparing responses to discovery demands. Depositions have not yet been scheduled. The District believes that it has legitimate reasons to justify MD’s

punishments and that it has not treated other students more favorably than MD based on race; documentary evidence shows MD's lengthy history of behavioral and disciplinary issues. The District is conducting discovery with an aim toward moving for summary judgment, but given the sharp factual disputes at some of the claims may require a trial depending on how the remainder of discovery unfolds.

TAX MATTERS

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 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 Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The Tax Certificate of the District (the "Tax Certificate"), which will be delivered concurrently with the delivery of 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 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 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 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 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 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 Notes in order that interest on 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 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 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 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 the exclusion of interest on 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 Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of 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 Notes.

Prospective owners of 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 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 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 note 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 Notes. In general, the issue price for each maturity of Notes is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel further is of the opinion that, for any Notes having OID (a “Discount Note”), OID that has accrued and is properly allocable to the owners of the Discount Notes 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 Notes.

In general, under Section 1288 of the Code, OID on a Discount Note 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 Note. An owner’s adjusted basis in a Discount Note is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount 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 Note even though there will not be a corresponding cash payment.

Owners of Discount Notes 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 Notes.

Note Premium

In general, if an owner acquires a 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 Note after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “note premium” on that Note (a “Premium Note”). In general, under Section 171 of the Code, an owner of a Premium Note must amortize the note premium over the remaining term of the Premium Note, based on the owner’s yield over the remaining term of the Premium Note, determined based on constant yield principles (in certain cases involving a Premium Note 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 Note). An owner of a Premium Note must amortize the note premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the note premium allocable to that period. In the case of a tax-exempt Premium Note, if the note 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 Note may realize a taxable gain upon disposition of the Premium Note 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 Notes should consult their own tax advisors regarding the treatment of note 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 note premium on, sale, exchange, or other disposition of Premium Notes.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest on tax-exempt obligations, including 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 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 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 Notes under federal or state law or otherwise prevent beneficial owners of 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 Notes.

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

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto in Appendix C.

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 Notes, the District will execute an Undertaking to Provide Notices of Events for the Notes, substantially in the form attached hereto as Appendix D.

RATINGS

On March 27, 2024, Moody's Investors Service ("Moody's") assigned a rating of "MIG-1" to the Notes.

On April 6, 2023, Moody's affirmed the District's credit rating of "Aa1".

Such rating reflects only the view of such organization, and an explanation of the significance of such rating may be obtained only from such rating agency, 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 rating will continue for any specified period of time or that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of such bonds or the availability of a secondary market for those bonds.

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 Notes.

ADDITIONAL INFORMATION

Periodic public reports relating to the financial condition of the District, its operations and the balances, receipts and disbursements of the various funds of the District are available for the public inspection at the business office of the District.

Additional information may be obtained from the Office of the Assistant Superintendent for Business, Mr. James Pappas, (516) 277-7815, or from the District's Financial Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, (516) 487-9817.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the District and the original purchasers or holders of any of the Notes.

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at www.capmark.org. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Capital Markets Advisors, LLC has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the District nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Capital Markets Advisors, LLC and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The statements contained in this Official Statement and the appendices hereto that are not purely historical are forward-looking statements. Such forward-looking statements can be identified, in some cases, by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "illustrate," "example," and "continue," or the singular, plural, negative or other derivations of these or

other comparable terms. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to such parties on the date of this Official Statement, and the District assumes no obligation to update any such forward-looking statements. The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including, but not limited to, risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in various important factors. Accordingly, actual results may vary from the projections, forecasts and estimates contained in this Official Statement and such variations may be material.

This Official Statement is submitted only in connection with the sale of the Notes by the District and may not be reproduced or used in whole or in part for any other purpose.

NORTH SHORE CENTRAL SCHOOL DISTRICT
NASSAU COUNTY, NEW YORK

By: _____
Dr. Andrea Macari
President of the Board of Education

DATED: April __, 2024

APPENDIX A

THE DISTRICT

THE DISTRICT

General Information

In 1953, the former Union Free School Districts of Glen Head, Glenwood Landing and Sea Cliff were centralized to form the North Shore Central School District. The District is located approximately 20 miles east of New York City on the north shore of Long Island, in the Towns of North Hempstead and Oyster Bay in Nassau County. As of 2019, the District had an estimated population of 16,585, living in an area of roughly 9 square miles.

The District is largely residential in character and contains some small shopping centers. The District's largest industrial taxpayer is the Long Island Power Authority, whose main generating plant is located in Glenwood Landing. (See "*TAX INFORMATION*" herein).

Public transportation in and around the District is provided by the Long Island Railroad and the Metropolitan Transportation Authority bus service. The District is also in close proximity to New York City's two major airports, JFK International and LaGuardia. Gas and electric services are furnished by LIPA, and water is supplied by the American Water. Hospital facilities available to residents include North Shore University Hospital, St. Francis Hospital and Long Island Jewish Hospital. Police protection is provided by the Nassau County Police Department, and fire protection is provided by two volunteer fire departments. In addition to these governmental services, District residents have access to various recreational facilities, including public libraries, parks, marinas, yacht clubs and country clubs.

District Organization

Subject to the provisions of the State Constitution, the District operates pursuant to the Education Law, the Local Finance Law, other laws generally applicable to the District, and any special laws applicable to the District. Under such laws, there is no authority for the District to have a charter or adopt local laws.

The legislative power of the District is vested in the Board of Education (the "Board"). Under current law, an election is held within the District boundaries on the third Tuesday of May each year to elect members of the Board. Board members are generally elected for a term of three years.

In early July of each year, the Board meets for the purpose of reorganization. At that time, the Board elects a President and a Vice President, and appoints a District Clerk and District Treasurer.

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, and the Assistant Superintendent for Business.

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 on the third Tuesday of May each year. (See “*Tax Levy Limit Law*” herein.)

On May 17, 2022, the voters of the District approved the District’s proposed budget for the 2022-23 fiscal year. On August 3, 2022, the Board of Education amended the District’s adopted budget for the 2022-23 fiscal year following the settlement of litigation with LIPA (see “LITIGATION” herein). On May 16, 2023, a majority of the voters of the District approved the District’s budget for the 2023-2024 fiscal year. Summaries of the District’s Adopted and Amended Budgets for the fiscal years 2022-23 and 2023-24 may be found in Appendix B, herein.

School Enrollment Trends

The following table presents the past and projected school enrollment for the District.

<u>School Enrollment Trends</u>			
<u>Fiscal Year</u>	<u>Actual Enrollment</u>	<u>Fiscal Year</u>	<u>Projected Enrollment</u>
2019-20	2,596	2024-25	2,572
2020-21	2,553	2025-26	2,593
2021-22	2,534	2026-27	2,597
2022-23	2,535	2027-28	2,600
2023-24	2,565	2028-29	2,600

Source: District records and estimates.

District Facilities

The District currently operates the following facilities:

<u>School Statistics</u>			
<u>Name</u>	<u>Capacity</u>	<u>Grades</u>	<u>Year Built/Rebuilt</u>
Glen Head School	454	K-5	1926, 1952, 1990, 2002
Glenwood Landing School	510	K-5	1929, 1952, 1990, 2001
Sea Cliff School	398	K-5	1911, 1928, 1990, 2001
North Shore Middle School	626	6-8	1956, 1962, 1990, 2000
North Shore High School	784	9-12	1955, 1990, 2001
Administration Building	N/A	N/A	1922, 1990
Bus Garage	N/A	N/A	1952
Transportation Facility	N/A	N/A	2008

Source: District Officials.

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Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expiration of various collective bargaining agreements are as follows.

Employees

<u>Number of Employees</u>	<u>Organization</u>	<u>Contract Expiration Date</u>
397	North Shore Schools Federated Employees	6/30/2026
38	North Shore Schools Federated Employees Secretarial Unit	6/30/2026
20	North Shore Schools Administrators Council	6/30/2027
35	United Public Service Employees Union	6/30/2024
37	North Shore Schools Cafeteria Workers Association	6/30/2024
35	North Shore Schools Part-Time Bus Drivers Association	6/30/2026
20	North Shore Schools Part-Time Cleaners	6/30/2023 ⁽¹⁾
219	North Shore Schools Paraprofessionals Association	6/30/2024
13	North Shore Schools Teaching Assistant Unit	6/30/2026

(1) In negotiations.

Source: District Officials.

Employee Pension 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% 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; 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. As of April 9, 2022, Tier 5 and 6 members only need five years of service credit to be vested. Previously, Tier 5 and 6 members needed 10 years of service to be eligible for a service retirement benefit. It also includes a voluntary, portable, defined contribution plan option for new non-union employees with salaries of \$75,000 or more.

Under current law, the employer pension payments for a given fiscal year are based on the value of the pension fund on the prior April 1 thus enabling the District to more accurately include the cost of the employer pension payment in its budget for the ensuing year. In addition, the District is required to make a minimum contribution of 4.5% of

payroll every year, including years in which the investment performance of the fund would make a lower payment possible. The annual employer pension payment is due on February 1 of each year.

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 amortized any of its employer pension payments pursuant to this legislation and expects to continue to pay all payments in full when due.

In addition, 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 payment amounts.

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 District has not amortized any of its employer pension payments as part of the SCO and expects to continue to pay all payments in full when due.

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 is not participating in any SCO deferral plans.

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 created such a reserve fund for TRS contributions and as of June 30, 2023, it was funded at \$3,666,581.

Other Post Employment Benefits

The District implemented GASB Statement No. 75 (“GASB 75”) of the Governmental Accounting Standards Board (“GASB”), which replaces GASB Statement No. 45 as of fiscal year ended June 30, 2018. GASB 75 requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits, known as other post-employment benefits (“OPEB”). GASB 75 generally requires that employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB similarly to GASB Statement No. 68 reporting requirements for pensions.

GASB 75 requires state and local governments to measure a defined benefit OPEB plan as the portion of the present value of projected benefit payments to be provided to current active and inactive employees, attributable to past periods of service in order to calculate the total OPEB liability. Total OPEB liability generally is required to be determined through an actuarial valuation using a measurement date that is no earlier than the end of the employer’s prior fiscal year and no later than the end of the employer’s current fiscal year.

GASB 75 requires that most changes in the OPEB liability be included in OPEB expense in the period of the changes. Based on the results of an actuarial valuation, certain changes in the OPEB liability are required to be included in OPEB expense over current and future years.

The District's total OPEB liability as of June 30, 2023 was \$157,443,943 using a discount rate of 3.65% and actuarial assumptions and other inputs as described in the District's June 30, 2023 audited financial statements.

Should the District be required to fund the total OPEB liability, it could have a material adverse impact upon the District's finances and could force the District to reduce services, raise taxes or both. At the present time, however, there is no current or planned requirement for the District to partially fund its OPEB liability.

At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the District will continue funding this expenditure on a pay-as-you-go basis.

Legislation has been introduced from time to time to create an optional investment pool to help the State and local governments fund retiree health insurance and OPEB. Such proposed legislation would generally authorize the creation of irrevocable OPEB trusts so that the State and its local governments can help fund their OPEB liabilities, establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments, designate the president of the Civil Service Commission as the trustee of the State's OPEB trust and the governing boards as trustee for local governments and allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established. Under the proposals, there would be no limits on how much a local government can deposit into the trust. The District cannot predict whether such legislation will be enacted into law in the foreseeable future.

Investment Policy Permitted Investments

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law (the "GML"), the District is generally permitted to deposit moneys in banks and trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

The District may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the District; (5) certificates of participation issued in connection with installments purchase contracts entered into by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the District pursuant to law, in obligations of the District.

All of the foregoing instruments and investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of instruments and investments purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the District, such instruments and investments must be purchased through, delivered to and held in custody of a bank or trust company in the State pursuant to a written custodial agreement as provided in Section 10 of the GML.

The Board of Education of the District has adopted an investment policy and such policy conforms with applicable laws of the State governing the deposit and investment of public moneys. All deposits and investments of the District are made in accordance with such policy.

FINANCIAL FACTORS

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A Statement of revenues and expenditures for the five-year period ending June 30, 2023 is contained in Appendix B. As reflected in Appendix B, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Property Taxes

The District derives the 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). On June 24, 2011, Chapter 97 of the New York Laws of 2011 was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the District. (See “The Tax Levy Limit Law,” herein). Property taxes accounted for 90.5% of total general fund revenues for the fiscal year ended June 30, 2023, while State aid accounted for 6.4%.

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

Real Property Taxes

<u>Fiscal Year</u> <u>Ended June 30:</u>	<u>Total</u> <u>Revenues</u>	<u>Real Property</u> <u>Taxes⁽¹⁾</u>	<u>Real Property</u> <u>Taxes to</u> <u>Revenues</u>
2019	\$102,427,981	\$ 94,943,968	92.7%
2020	104,369,794	97,277,819	93.2
2021	107,711,231	100,344,809	93.2
2022	110,832,688	102,350,010	92.4
2023	114,829,170	103,967,105	90.5
2024 (Adopted Budget)	120,354,393	105,170,945	87.4

- (1) Inclusive of PILOT payments and Other Real Property Tax Items, which represents STAR aid payments made to the District by the State. (See “STAR – School Tax Exemption” herein.)

Source: Audited Financial Statements and Adopted Budget. Summary itself is not audited.

State Aid

The District receives appropriations from the State of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. While the State has a constitutional duty to maintain and support a system of free common schools that provides a “sound basic education” to children of the State, 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 School Districts can be paid only if the State has such monies available for such payment.

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

State Aid			
Fiscal Year <u>Ended June 30:</u>	Total <u>Revenues</u>	<u>State Aid</u>	<u>State Aid to Revenues</u>
2019	\$102,427,981	\$5,194,162	5.1%
2020	104,369,794	5,220,379	5.0
2021	107,711,231	5,762,560	5.4
2022	110,832,688	6,822,724	6.2
2023	114,829,170	7,376,815	6.4
2024 (Adopted Budget)	120,354,393	8,839,828	7.3

Source: Audited Financial Statements and Adopted Budget. Summary itself is not audited.

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*” herein).

The amount of State aid to school districts is dependent in part upon the financial condition of the State. Due to the outbreak of COVID-19 the State initially declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses for an extended period. The use of federal stimulus funds has allowed the State to avoid gap closing measures; however, the State may be required to implement gap closing measures in the future. 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 2023-24 Enacted Budget provides \$34.5 billion in State funding to school districts for the 2023-24 school year the highest level of State aid ever. This represents a year-to-year funding increase of \$3.1 billion or 10.00%. and includes \$24.1 billion of Foundation Aid which increased 12.8% from 2022-23. The 2023-24 school A-7 year increase in Foundation Aid is to complete the three-year phase-in of full funding of the current Foundation Aid formula.

The State’s 2023-24 Enacted Budget also increases the State’s annual investment in prekindergarten to \$1.2 billion, an increase of \$125 million, or 9.09%. The Budget also includes a total of \$20 million in grant funding to support the establishment of new early college high school programs.

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State’s 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. 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 adoption of the State budget, which is due at the start of the State’s fiscal year of April 1. The State’s budget has been adopted by April 1 or shortly thereafter for over ten (10) years. The State’s 2023-24 Enacted Budget was adopted on May 2, 2023, which was later than in most recent years. 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, the COVID-19 pandemic, 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 Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision. 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.

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State.

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.

COVID-19 Stimulus and Uses

On March 11, 2021, the federal government signed into law The American Rescue Plan ("ARP") that addresses issues related to the ongoing COVID-19 pandemic. The ARP Act also creates new programs to address continuing pandemic-related crisis and fund recovery efforts. It provides significant funding to local governments and school districts in NYS. As of the date of this Official Statement, there is still guidance being issued on how and for what these funds can be used. The funds must all be spent by December 31, 2026.

Specifically, eligible uses of the aid include: (i) revenue replacement for the provision of government services to the extent the reduction in revenue is due to the COVID-19 public health emergency relative to revenues collected in the most recent fiscal year prior to the emergency; (ii) premium pay for essential workers; (iii) assistance to small businesses, households, and hard-hit industries, and economic recovery; and (iv) investments in water, sewer and broadband infrastructure. The bill also contains two restrictions on eligible uses: (i) funds cannot be used to directly or indirectly offset tax reductions or delay a tax increase; and (ii) funds cannot be deposited into any pension fund.

The District received approximately \$11,998 in CARES Act funds that offset school building related expenditures due to the pandemic. The District is allocated approximately \$1,091,000 million in additional Federal stimulus funding between the ARP and the Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSA") to address learning loss, mental health needs, to upgrade technology and support all students' academic needs.

Events Affecting New York School Districts

School district fiscal year (2019-2020): For the 2019-20 school year, the State's Enacted Budget included a total of \$27.9 billion for School Aid, a year-to-year funding increase of approximately \$1.2 billion. The majority of the increases were targeted to high need school districts. Expense-based aids to support school construction, pupil transportation, BOCES and special education continued in full, as is the State's usual practice. Transportation aid increased by approximately 4.5% and building aid increased by approximately 3.7%. The State 2019-2020 Enacted Budget continued to link school aid increases for 2019-2020 and 2020-2021 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d.

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 was 3.7 percent lower than in the State's 2019-2020 Enacted Budget but was offset in part with increased Federal support. This reduction in State Operating Funds support was 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 was expected to total \$27.9 billion, an annual increase of approximately \$100 million or 0.4 percent. The State's 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community

Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided 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 was continued under existing aid formulas. Out-year growth in School Aid reflected current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues came in below 99% percent of estimates or if actual disbursements exceeded 101% of estimates. See "*State Aid*" herein for a discussion of this provision set forth in the State's 2020-2021 Enacted Budget.

School district fiscal year (2021-2022): For the 2021-2022 school year, the State's Enacted budget provided \$29.5 billion in State funding to school districts for the 2021-2022 school year through School Aid, the highest level of State aid ever, supporting the operational costs of school districts that educate 2.5 million students statewide. This investment represented an increase of 11.3% (\$3.0 billion) compared to the 2020-2021 school year, including a \$1.4 billion (7.6%) Foundation Aid increase. The Enacted budget allocated \$13 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, helped schools safely reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The Budget allocated \$629 million of these funds to school districts as targeted grants to support efforts to address learning loss through activities such as summer enrichment and comprehensive after-school programs. In addition, the Budget used \$105 million of federal funds to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2021-2022 school year.

School district fiscal year (2022-2023): For the 2022-2023 school year, the State's Enacted provided \$31.3 billion in State funding to school districts for the 2022-23 school year the highest level of State aid ever. This represented a year-to-year funding increase of \$2.1 billion or 7.07% and included \$21.4 billion of Foundation Aid which increased 8.1% from 2021-22. The 2022-23 school year increase in Foundation Aid primarily reflected the second year of the three-year phase-in of full funding of the current Foundation Aid formula. The Enacted Budget also increased the State's annual investment in prekindergarten to \$1.1 billion, an increase of \$125 million, or 13%. The Budget also included a total of \$100 million of matching funds over two years to be provided to school districts and BOCES with the highest needs to address student wellbeing and learning loss in response to the trauma brought about by the COVID-19 pandemic. This included support for extended school day or school year programs, afterschool programs, mental health professionals and other locally determined initiatives.

School district fiscal year (2023-2024): For the 2023-2024 school year, the Enacted Budget provides \$34.5 billion in State funding to school districts for the 2023-24 school year the highest level of State aid ever. This represents a year-to-year funding increase of \$3.1 billion or 10.00%. and includes \$24.1 billion of Foundation Aid which increased 12.8% from 2022-23. The 2022-23 school year increase in Foundation Aid is to complete the three-year phase-in of full funding of the current Foundation Aid formula. The Enacted Budget also increases the State's annual investment in prekindergarten to \$1.2 billion, an increase of \$125 million, or 9.09%. The Budget also includes a total of \$20 million in grant funding to support the establishment of new early college high school programs.

The District cannot predict at this time whether there will be any reductions in and/or delays in the receipt of State aid during the remainder of the current fiscal year or in future fiscal years. However, 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 "*Risk Factors*" herein).

The Smart Schools Bond Act (the "SSBA") 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 SSBA requires that a Review Board review and approve districts' Smart Schools Investment Plan before any funds may be made available for the program.

General Fund Operations

Appendix B sets forth the General Fund operations for the last five fiscal years which are derived from the District's General Purpose Financial Statements on file in the Superintendent's office.

Other Revenues

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

Independent Audits

The District retains the firm of Cullen & Danowski, LLP, to audit its financial statements. Appendix B to the Official Statement 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. The District's General Purpose Financial Statements for the fiscal year ended June 30, 2023 can be found on EMMA.

The State Comptroller's Fiscal Stress Monitoring System and 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 6.7 and environmental score of 35.0.

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. The last audit conducted by OSC was released on July 21, 2017. The purpose of the audit was to review the District's fuel inventory procedures for the period July 1, 2015 through December 31, 2016. The complete report can be obtained from OSC's website.

See the State Comptroller's official website for more information on FSMS. Reference to this website implies no warranty of accuracy of information therein.

TAX INFORMATION

Real Property Tax Assessments and Rates

The following table sets forth the assessed and full valuation of taxable real property, the District’s real property tax levy and rates of tax per \$1,000 assessed valuation.

Real Property Tax Assessment and Rates

Town of North Hempstead

	<u>2020</u>	<u>2021⁽¹⁾</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Assessed Value ⁽²⁾	\$1,393,699	\$1,179,097	\$1,071,365	\$445,945	\$528,960
Equalization Rate	0.21%	0.17%	0.18%	0.18%	0.15% ⁽⁴⁾
Full Value	663,666,190	693,586,471	595,202,778	247,747,222	352,640,000
Tax Levy	15,450,542	15,642,243	13,794,963	3,626,076	4,094,827
Tax Rate ⁽³⁾	11,086.00	13,266.29	12,876.06	8,131.22	7,740.00

Town of Oyster Bay

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Assessed Value	\$9,456,793	\$5,656,805	\$6,257,118	\$6,653,918	\$7,106,163
Equalization Rate	0.21%	0.17%	0.17%	0.17%	0.15% ⁽⁴⁾
Full Value	4,503,234,762	3,327,532,353	3,680,657,647	3,914,069,412	4,737,442,000
Tax Levy	72,900,188	75,389,461	78,542,293	82,299,470	84,997,200
Tax Rate ⁽³⁾	7,708.76	13,327.22	12,552.47	12,368.57	11,960.00
Total Assessed Value	\$10,850,492	\$6,835,902	\$7,328,483	\$7,099,863	\$7,635,123
Total Levy	88,350,730	91,031,704	92,337,256	85,925,546	89,092,027
Total Full Value	\$5,166,900,952	\$4,021,118,824	\$4,275,860,425	\$4,161,816,634	\$5,090,082,000

- (1) In 2021, Nassau County reassessed all property within the County. Each class of property was reassessed at different levels. The equalization rates used in this chart are for the entirety of the respective towns and not exactly indicative of the full market value of real property within the District which the County believes to be higher.
- (2) The assessed values for 2023 and 2024 include the effects of the settlement between the County and the Long Island Power Authority in May 2022. This settlement had the greatest effect on the assessed values within the Town of North Hempstead as a result of the removal of the Glenwood Landing power plant from the tax rolls.
- (3) Per \$1,000 Assessed Value.
- (4) The most recent equalization rate available was established on February 13, 2024.

Source: New York State Department of Real Property Services and District Officials.

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. (See, however, “*The Tax Levy Limit Law*” herein).

The Tax Levy Limit Law

Chapter 97 of the New York 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 could either have presented a revised budget for voter approval or adopted 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").

Under the Tax Levy Limit Law, there is now 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, subject to certain exclusions as mentioned below and 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 in excess of the limit. In the event the voters reject the 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. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior 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 and the refinancing or refunding of such bonds or notes (such as the 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.

Tax Collection Procedure

In Nassau County, property taxes for the school districts are levied by the County, and are collected by the town tax receivers. Such taxes are due and payable in equal installments on October 1 and April 1, but may be paid without penalty by November 10 and May 10, respectively. The town tax receivers pay to each school district the amounts collected therefore on the first day of each month from October 1 to June 1. Penalties on unpaid taxes are 1% per month from the date such taxes are due and payable. A 1% discount for prepayment of second half taxes is given if received by November 10. Any such discount is a town charge.

On or before June 1, the town tax receivers file a report of any uncollected school district taxes with the County. Pursuant to the Nassau County Administrative Code, the County thereafter on or before June 15 is required to pay to each school district the amount of its uncollected taxes. Thus, each school district should receive its full levy prior to the end of its fiscal year. However, in recent years, this has not always been the case as some of these payments have been delayed.

As a result of the COVID-19 outbreak, the Governor issued an Executive Order that extended the deadline to pay the second installment of school district property taxes until June 1, 2020, without interest or penalty. The Governor issued a second Executive Order that extended the deadline to pay the first installment of school district property taxes until December 1, 2020, without interest or penalty. Such extension did not result in a delay in the receipt of taxes collected and paid to school districts by the town tax receiver and by the County in accordance with the procedures set forth above.

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.

The State’s 2020-21 Enacted Budget withholds STAR benefits to taxpayers who are delinquent in the payment of their school taxes and maintains the income limit for the exemption to \$250,000, compared with a \$500,000 limit for the credit.

Approximately 2.83% of the District’s 2022-2023 school tax levy was exempted by the STAR program and the District has receive full reimbursement of such exempt taxes from the State. Approximately 2.73% of the District’s 2023-2024 school tax levy was exempted by the STAR program and the District received full reimbursement of such exempt taxes from the State in January 2024. (See “*State Aid*” herein).

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Ten of the Largest Taxpayers

The following table presents the taxable assessments of ten of the District's largest taxpayers for the 2023-2024 fiscal year.

<u>Taxable Assessments</u>			
<u>Taxpayer Name</u>	<u>Nature of Business</u>	<u>Total Assessed Valuation</u>	<u>% of Assessed Valuation⁽¹⁾</u>
Keyspan Gas East Corp	Utility	\$1,212,867	15.88%
Long Island Power Authority	Utility	616,045	8.07
Knolls Glen Head Owner Corp	Cooperative Apts	243,759	3.19
Glen Harbor Holdings LLC	Condominiums	180,016	2.36
Sea Cliff Water Company	Utility	179,315	2.35
Aumont Holdings LLC	Commercial	109,694	1.44
Engineer’s Country Club	Country Club	68,811	0.90
Cedarbrook Holdings LLC	Country Club	68,238	0.89
Rynwood Holdings Inc	Advertising	63,146	0.83
Global Companies LLC	Management	<u>51,775</u>	<u>0.68</u>
Totals		<u>\$2,793,666</u>	<u>36.59%</u>

(1) The District's total assessed value for the 2023-2024 fiscal year is \$7,635,123.

DISTRICT INDEBTEDNESS

Constitutional and Statutory Requirements

The New York State Constitution limits the power of the District (and other municipalities and school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations include the following, in summary form, and are generally applicable to the District and the Bonds 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 hereon.

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 immediately 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 period of probable usefulness of the object or purpose determined by statute or the weighted average maturity 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. The amount of such increases is limited by the formulas set forth in such law. (See “*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. It is a procedure that is generally recommended by Bond Counsel, but it is not an absolute legal requirement.

The Board of Education, as the finance board of the District, also has the power to authorize the sale and issuance of bonds and notes, including the Notes. However, such finance board may delegate the power to sell 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 ration 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.

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Statutory Debt Limit and Net Indebtedness

The debt limit of the District is \$509,008,200 as of April 2, 2024. This is calculated by taking 10% of the current full value of the District.

Statutory Debt Limit and Net Indebtedness

Full Valuation of Taxable Real Property		\$5,090,082,000
Debt Limit (10% of Full Valuation)		509,008,200
Outstanding Indebtedness ⁽¹⁾ (Principal Only):		
Bonds	\$25,035,000	
Bond Anticipation Notes	<u>21,654,296</u>	
Gross Indebtedness		46,689,296
Less Exclusion for Estimated Building Aid ⁽²⁾		<u>0</u>
Total Net Indebtedness		<u>46,689,296</u>
Net Debt-Contracting Margin		<u>\$ 462,318,904</u>
Percentage of Debt-Contracting Margin Exhausted		<u>9.2%</u>

- (1) Tax and revenue anticipation notes and operating leases are not included in the computation of gross indebtedness.
- (2) The District anticipates that it will receive State Aid on a portion of existing indebtedness contracted for school building purposes pursuant to Section 121.20 of the Local Finance Law. However, since the District has not applied for a building aid exclusion certificate from the Commissioner of Education, the District may not exclude such portion from the gross indebtedness. State aid for building purposes is currently estimated by District officials at 10% of the District’s applicable outstanding indebtedness.

Bond Anticipation Notes

On April 27, 2023, the District issued \$21,654,296 Bond Anticipation Notes – 2023 which mature on April 26, 2024. The proceeds from the sale of the Notes, together with \$394,296 of available funds, will be used to redeem such notes in full at maturity (see “*Authority for and Purpose of the Notes*”).

Tax Anticipation Notes

In common with other school districts in the State, the District finds it necessary to borrow in anticipation of the receipt of its tax levy. In the past, the District has paid all notes on their due date. The following is a history of the District's tax anticipation note borrowing during the last five fiscal years.

Borrowing History

<u>Fiscal Year</u> <u>Ended June 30:</u>	<u>Issue Date</u>	<u>Amount Issued</u>	<u>Maturity Date</u>
2020	09/10/2019	\$5,000,000	06/25/2020
	04/02/2020	3,000,000	05/01/2020
2021	09/25/2020	9,000,000	06/24/2021
	11/09/2020	1,500,000	12/11/2020
2022	09/24/2021	9,000,000	06/23/2022
2023	10/07/2022	6,500,000	05/18/2023
2024	10/03/2023	5,000,000	06/21/2024

Source: Audited Financial Statements of the District. Summary itself is not audited.

Trend of Outstanding Indebtedness

Direct Capital Indebtedness Outstanding

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Bonds:	\$22,105,000	\$19,745,000	\$30,865,000	\$27,530,000	\$26,960,000
Bond Anticipation	<u>0</u>	<u>0</u>	<u>0</u>	<u>17,000,000</u>	<u>21,654,296</u>
Notes:					
Totals	<u>\$22,105,000</u>	<u>\$19,745,000</u>	<u>\$30,865,000</u>	<u>\$44,530,000</u>	<u>\$48,614,296</u>

Source: Audited Financial Statements of the District. Summary itself is not audited.

Direct and Overlapping Indebtedness

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 values. The following table presents the amount of overlapping and underlying debt and the District's share of this debt. Authorized but unissued debt has not been included.

Statement of Direct and Overlapping Indebtedness

<u>Issuer</u>	<u>Net Debt Outstanding</u>	<u>As of:</u>	<u>District Share</u>	<u>Amount Applicable To District</u>
Nassau County	\$2,971,133,000	03/31/23	2.41%	\$ 71,604,305
North Hempstead Town	323,238,808	08/29/23	2.78	8,986,039
Oyster Bay Town	519,859,502	02/21/24	6.63	34,466,685
Old Brookville Village	2,095,000	05/31/22	20.00	419,000
Sea Cliff Village	1,468,677	05/31/23	100.00	<u>1,468,677</u>
Total Net Overlapping Debt				116,944,706
Total Net Direct Debt				<u>46,689,296</u>
Net Direct and Overlapping Debt				<u>\$163,634,002</u>

Source: Data provided by County, Town and Village officials and the Comptroller's Special Report on Municipal Affairs.

Debt Ratios

The following table sets forth certain debt ratios relating to the District's direct and overlapping indebtedness:

	<u>Debt Ratios</u>		
	<u>Amount</u>	<u>Per Capita⁽¹⁾</u>	<u>Percentage of Full Value⁽²⁾</u>
Net Direct Debt	\$ 46,689,296	\$2,815	0.92%
Net Direct and Overlapping Debt	163,634,002	9,866	3.21

(1) The population of the District is estimated to be approximately 16,585 by District officials.

(2) The District's full value of taxable real property for fiscal year 2023-2024 is \$5,090,082,000.

Authorized but Unissued Debt

The District has no authorized and unissued indebtedness.

Debt Service Schedule

The following table sets forth the debt service requirements to maturity on the District's outstanding bonded indebtedness, exclusive of refunded bonds.

Bond Principal and Interest Maturity

Fiscal Year			
<u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024 ⁽¹⁾	\$ 2,765,000	\$ 827,917	\$ 3,592,917
2025	2,845,000	750,075	3,595,075
2026	2,295,000	671,475	2,966,475
2027	2,375,000	589,800	2,964,800
2028	2,465,000	498,725	2,963,725
2029	2,555,000	403,700	2,958,700
2030	2,650,000	305,150	2,955,150
2031	2,220,000	219,950	2,439,950
2032	1,210,000	165,500	1,375,500
2033	1,235,000	137,500	1,372,500
2034	1,265,000	108,900	1,373,900
2035	1,290,000	79,500	1,369,500
2036	1,325,000	49,500	1,374,500
2037	230,000	18,600	248,600
2038	<u>235,000</u>	<u>9,400</u>	<u>244,400</u>
Total	<u>\$26,960,000</u>	<u>\$4,835,692</u>	<u>\$31,795,692</u>

(1) For the entire fiscal year.

Source: Audited Financial Statements of the District. Summary itself is not audited.

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Energy Performance Contract

The following table shows the debt service requirements to maturity on the District's outstanding energy performance contract.

Energy Performance Contract Principal and Interest Maturity Table

Fiscal Year			
<u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024 ⁽¹⁾	\$ 818,601	\$ 118,744	\$ 937,345
2025	838,869	98,476	937,345
2026	472,677	84,158	553,835
2027	479,696	74,139	553,835
2028	486,820	67,015	553,835
2029-2033	2,544,707	224,468	2,769,175
2034-2036	<u>1,619,321</u>	<u>42,184</u>	<u>1,661,505</u>
Total	<u>\$7,260,694</u>	<u>\$ 709,184</u>	<u>\$7,966,875</u>

(1) For the entire fiscal year.

Source: Audited Financial Statements of the District. Summary itself is not audited.

ECONOMIC AND DEMOGRAPHIC DATA

Largest Employers

Major Employers in District

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
AHRC	School	28
Brookville Country Club	Country Club	53
First National Bank of Long Island	Bank	103
Glen Head Country Club	Country Club	50-60
Halm Industries Co. Inc	Printing	75
Incorporated Village of Sea Cliff	Municipality	67
North Shore CSD	School	687
North Shore Country Club	Country Club	50
Swan Club	Catering Hall	70
Waldbaums	Food Market	77

Source: Metro New York Directory of Manufacturers.

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Population

In past years, population of the Towns, County and State, in which the District is situated, has shown the following trends.

Population Trend

	<u>2010</u>	<u>2020</u>	<u>% Change</u> <u>2010/2020</u>
North Hempstead Town	226,322	237,639	5.0%
Oyster Bay Town	293,214	301,332	2.8
County	1,339,532	1,395,774	4.2
State	19,378,102	20,201,249	4.2

Source: U.S. Census Bureau.

Income

The following table presents per capita and median household money income for the Towns, County and State. Data provided for the Towns, County and State is not necessarily representative of the District.

Median Household Income

	<u>2010</u>	<u>2020</u>	<u>% Change</u> <u>2010/2020</u>
North Hempstead Town	\$104,264	130,551	25.2%
Oyster Bay Town	104,917	132,216	26.0
County	90,294	120,036	32.9
State	49,781	71,117	42.9

Source: U.S. Census Bureau.

Employment and Unemployment

The following tables provide information concerning employment and unemployment in the Towns, County, and State. Data provided for the Towns, County and State is not necessarily representative of the District.

Civilian Labor Force

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Town of North Hempstead	118,000	115,500	116,100	118,400	120,000
Town of Oyster Bay	161,000	157,100	157,900	161,000	163,200
County	728,000	714,400	716,400	729,500	739,100
State	9,854,000	9,580,800	9,557,900	9,617,000	9,731,800

Source: New York State Department of Labor, Bureau of Labor Statistics. Information not seasonally adjusted.

Unemployment rates are not compiled for the District, but are available for the Towns, County and State. The following Table is not necessarily representative of the District.

Yearly Average Unemployment Rates

<u>Year</u>	<u>Town of North Hempstead</u>	<u>Town of Oyster Bay</u>	<u>County</u>	<u>State</u>
2019	3.1%	3.1%	3.3%	3.9%
2020	7.4	7.5	8.0	9.8
2021	4.1	4.1	4.5	7.0
2022	2.6	2.7	2.9	4.3
2023	2.7	2.8	2.9	4.2

Source: New York State Department of Labor, Bureau of Labor Statistics. Information not seasonally adjusted.

Monthly Unemployment Rates

<u>Month</u>	<u>Town of North Hempstead</u>	<u>Town of Oyster Bay</u>	<u>County</u>	<u>State</u>
January 2023	3.0%	2.9%	3.2%	4.6%
February	2.8	2.8	3.0	4.5
March	2.4	2.5	2.7	4.0
April	2.1	2.1	2.2	3.7
May	2.4	2.5	2.6	3.8
June	2.6	2.7	2.8	4.2
July	2.6	2.7	2.9	4.1
August	3.0	3.1	3.2	4.4
September	2.8	2.8	2.9	4.0
October	3.0	3.1	3.2	4.4
November	2.9	3.0	3.2	4.0
December	3.1	3.2	3.4	4.4

Source: New York State Department of Labor, Bureau of Labor Statistics. Information not seasonally adjusted.

END OF APPENDIX A

APPENDIX B

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

North Shore Central School District, New York
Statement of Budgeted Revenues and Expenses
General Fund
Fiscal Year Ending June 30:

	AMENDED 2022-2023 ⁽¹⁾	ADOPTED 2023-2024 ⁽²⁾
Revenues		
Real Property Taxes	\$ 85,925,546	\$ 89,092,028
PILOTs	17,765,648	16,078,917
State Sources	6,372,449	8,839,828
Miscellaneous	2,086,609	1,740,999
Tuition and Fees	450,000	750,000
Appropriated Fund Balance	3,363,930	3,852,621
Total Revenues	\$ 115,964,182	\$ 120,354,393
Expenditures		
General Support	\$10,469,184	\$10,973,148
Instruction	67,569,172	68,231,753
Transportation	2,748,189	3,091,727
Community Services	33,500	33,500
Employee Benefits	29,501,383	32,074,452
Debt Service	5,642,754	5,949,813
Total Expenditures	\$115,964,182	\$120,354,393

(1) Amended by the Board of Education on August 3, 2022 following the settlement of litigation with LIPA (see "LITIGATION" herein).

(2) Approved by voters of the District on May 16, 2023.

Sources: Adopted and Amended Budgets of the District.

**North Shore Central School District, New York
Consolidated Balance Sheet
General Fund
Fiscal Year Ending June 30:**

	<u>2022</u>	<u>2023</u>
Assets		
Unrestricted Cash	\$18,451,388	\$18,286,450
Restricted Cash	13,244,167	14,767,203
State and Federal Aid Receivable	853,612	691,218
Due from Other Funds	1,667,914	721,544
Due from Other Governments	1,076,312	1,502,013
Accounts Receivable	3,560	100,783
Taxes Receivable	1,925,461	2,244,183
Other Receivables	<u>0</u>	<u>1,250,000</u>
Total Assets	<u><u>\$37,222,414</u></u>	<u><u>\$39,563,394</u></u>
Liabilities and Fund Equity		
Liabilities		
Accounts Payable	\$2,291,861	\$1,058,544
Accrued Liabilities	1,297,391	1,368,150
Due to Other Funds	592,878	1,556,054
Due to Other Governments	1,055,476	802,938
Due Teachers' Retirement System	5,620,052	6,060,945
Due Employees' Retirement System	404,051	397,251
Other Liabilities	958,190	700,281
Collections in Advance	<u>0</u>	<u>0</u>
Total Liabilities	<u><u>\$12,219,899</u></u>	<u><u>\$11,944,163</u></u>
Deferred Inflows of Resources		
Deferred revenues	2,092,511	3,445,703
Unavailable revenue	<u>286,731</u>	<u>286,731</u>
Total Deferred Inflows of Resources	<u><u>2,379,242</u></u>	<u><u>3,732,434</u></u>
Fund Balance		
Nonspendable	173,148	534
Restricted	13,244,167	14,767,203
Assigned	4,567,391	4,311,504
Unassigned	<u>4,638,567</u>	<u>4,807,556</u>
Total Fund Balance	<u><u>\$22,623,273</u></u>	<u><u>\$23,886,797</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u><u>\$37,222,414</u></u>	<u><u>\$39,563,394</u></u>

Source: Audited Financial Statements of the District. Summary itself is not audited.

North Shore Central School District, New York
Consolidated Statement of Revenues, Expenses and Fund Balances
General Fund
Fiscal Year Ending June 30:

	2019	2020	2021	2022	2023
Revenues					
Real Property Taxes	\$82,368,546	\$85,342,578	\$88,401,568	\$89,925,429	\$83,681,607
STAR Reimbursement	0	0	0	0	0
Other Tax Items	12,575,422	11,935,241	11,943,241	12,424,581	20,285,498
Charges for Services	872,508	717,214	706,058	817,553	1,055,325
Use of Money and Property	737,513	612,611	61,899	53,120	1,041,180
Sales of Property and Comp. for Loss	30,840	29,890	30,026	38,363	84,796
Federal Sources	2,125	0	83,397	267,198	568,868
Miscellaneous	639,062	488,615	700,146	448,022	704,397
Medicaid Reimbursement	7,803	23,266	22,336	35,698	30,684
State Aid	5,194,162	5,220,379	5,762,560	6,822,724	7,376,815
Total Revenues	102,427,981	104,369,794	107,711,231	110,832,688	114,829,170
Other Sources					
Operating Transfer In	0	0	0	0	0
Total Revenues and Other Sources	\$102,427,981	\$104,369,794	\$107,711,231	\$110,832,688	\$114,829,170
Expenditures					
General Support	\$9,936,847	\$10,443,744	\$11,955,975	\$11,256,500	\$11,174,435
Instruction	60,286,376	60,354,150	65,624,131	65,378,136	66,184,431
Pupil Transportation	2,332,367	2,237,345	2,611,136	2,715,218	2,998,164
Community Services	46,194	36,813	9,754	23,439	21,461
Employee Benefits	24,767,523	24,535,901	25,651,541	26,625,867	28,508,930
Debt Service	79,533	49,392	85,000	163,945	440,225
Total Expenditures	97,448,840	97,657,345	105,937,537	106,163,105	109,327,646
Other Uses					
Operating Transfers in	0	0	0	(521,961)	(1,000,000)
Operating Transfers Out	4,895,465	8,246,694	5,118,753	5,175,063	7,238,000
Total Expenditures and Other Uses	\$102,344,305	\$105,904,039	\$111,056,290	\$110,816,207	\$115,565,646
Excess (Deficit) Revenues & Other Sources					
Over Expenditures and Other Uses	\$83,676	(\$1,534,245)	(\$3,345,059)	\$16,481	(\$736,476)
Extraordinary Item					
LIPA Settlement	0	0	0	0	2,000,000
Other Changes in Fund Balance					
Inc (Dec) Prior Period Adjustment	0	0	0	0	0
Net Increase (Decrease)	\$83,676	(\$1,534,245)	(\$3,345,059)	\$16,481	\$1,263,524
Fund Balance - Beginning of Year	\$27,402,420	\$27,486,096	\$25,951,851	\$22,606,792	\$22,623,273
Balance End of Fiscal Year	\$27,486,096	\$25,951,851	\$22,606,792	\$22,623,273	\$23,886,797

Source: Audited Financial Statements District. Summary itself is not audited.

APPENDIX C

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

FORM OF OPINION OF BOND COUNSEL FOR THE NOTES

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

April 25, 2024

The Board of Education of the
North Shore Central School District,
in the County of Nassau, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to North Shore Central School District, in the County of Nassau (the “School District”), 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 \$21,260,000 Bond Anticipation Note - 2024 (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.

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

1. The Note is 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, however, interest on the Note is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

The Code establishes certain requirements which must be met subsequent to the issuance of the Note in order that the interest on the Note be and remain excluded from gross income for federal income tax purposes 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,

/s/ Hawkins Delafield & Wood LLP

APPENDIX D

FORM OF UNDERTAKING TO PROVIDE NOTICES OF EVENTS

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

“EMMA” shall mean 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 North Shore Central School District, in the County of Nassau, 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.

“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 \$21,260,000 Bond Anticipation Notes-2024, dated April 25, 2024, maturing on April 25, 2025, 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, 11 Grace Avenue, Suite 308, Great Neck, New York 11021** 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:

- i. principal and interest payment delinquencies;
- ii. non-payment related defaults, if material;

- iii. unscheduled draws on debt service reserves reflecting financial difficulties;
- iv. unscheduled draws on credit enhancements reflecting financial difficulties;
- v. substitution of credit or liquidity providers, or their failure to perform;
- vi. 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;
- vii. modifications to rights of Securities holders, if material;
- viii. Bond calls, if material, and tender offers;
- ix. defeasances;
- x. release, substitution, or sale of property securing repayment of the Securities, if material;
- xi. rating changes;
- xii. 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;

- xiii. 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;

- xiv. appointment of a successor or additional trustee or the change of name of a trustee, if material;
- xv. 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
- xvi. 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 **April 25, 2024**.

NORTH SHORE CENTRAL SCHOOL DISTRICT

By _____
President of the Board of Education