**Revised Supplement**
**Dated December 5, 2018**

**to**

**Official Statement**
**dated December 3, 2018**

**relating to**

# WESTBURY UNION FREE SCHOOL DISTRICT
# NASSAU COUNTY, NEW YORK

## $3,200,000
## BOND ANTICIPATION NOTES - 2018
## (the "Notes")

**Introduction**

The Official Statement for the Bonds is dated **December 3, 2018** (the "Official Statement"). The **Westbury Union Free School District**, Nassau County, New York (the "**District**") has prepared this Revised Supplement dated **December 5, 2018**, to the Official Statement (the "Supplement") to update information related to the continuing disclosure compliance history of the Town in the Official Statement.

Other than with respect to the information provided herein, this Supplement is not otherwise updating the Official Statement, which speaks as of its date. Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Official Statement.

**Appendix A is replaced and superseded with the following:**

# THE DISTRICT

## *General Information*

The District is centrally located in the County of Nassau, and is situated entirely in the Town of North Hempstead with the exception of several blocks in the southwest corner of the District which are in the Town of Hempstead. The District, which encompasses approximately 5.4 square miles, is approximately 25 miles from mid-town Manhattan and includes the majority of the incorporated Village of Westbury, a part of the Incorporated Village of Old Westbury and all of the unincorporated area known as New Cassel.

The District is primarily a residential suburb, with some light commercial development. Residential development consists substantially of single-family homes with some multi-family structures; commercial activity is centered in the Village of Westbury's business district. There are shopping and commercial centers located in the District and nearby Garden City where the Roosevelt Field Mall is located. The Source Mall is also located on the border of the Village of Westbury in Carle Place. Within or in close proximity to the District limits are branches of JPMorgan Chase Bank, Capital One, and Citibank.

A network of roads leads to and from the District, giving vehicular traffic ready access to the major east-west arteries leading either into New York City, or to eastern Long Island. The Northern State Parkway, with an interchange at Post Road, the Long Island Expressway, and the Jericho Turnpike (Route 25) pass through the District. The District's northern boundary is just north of the Long Island Expressway and Old Country Road is the southern boundary. The Wantagh Parkway also feeds an exit within the District.

The Long Island Railroad operates at frequent intervals from the Westbury station on the Huntington/Port Jefferson Line of the Long Island Railroad. The trip to midtown Manhattan from the District is approximately 35 minutes by train. The MTA Long Island Rail Road recently renovated the Westbury station. The improvements include a new state-of-the-art facility.

Police Protection is provided by the Nassau County Police Department and Old Westbury Village Police. Fire protection is provided by the Westbury Volunteer Fire District and refuse collection by the Village of Westbury and the Town of North Hempstead.

The residents of the District receive electricity service from the Long Island Power Authority ("LIPA"), natural gas service from Keyspan and water services from the Westbury Water District.

## *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 to the Board. They 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.

The major administrative officers of the District, whose duty it is to implement the policies of the Board and who are appointed by the Board, include the following: Superintendent of Schools, Assistant Superintendent for Finance & Operations, District Treasurer and District Clerk.

## *Financial Organization*

Pursuant to the Local Finance Law, the President of the Board 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 Assistant Superintendent for Finance & Operations.

## *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 *"The Tax Levy Limit Law"* herein).

## *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.

## *School Enrollment Trends*

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

**School Enrollment Trends**

| Fiscal Year Ended June 30: | Past Enrollment | Fiscal Year Ended June 30: | Projected Enrollment |
|---|---|---|---|
| 2015 | 5,061 | 2020 | 5,332 |
| 2016 | 5,135 | 2021 | 5,234 |
| 2017 | 5,367 | 2022 | 5,226 |
| 2018 | 5,292 | 2023 | 5,194 |
| 2019 | 5,104 | 2024 | 5,175 |

Source: Office of the Assistant Superintendent for Finance & Operations.

## *District Facilities*

The District operates the following facilities; statistics relating to each are shown below.

**School Statistics**

| Name | Year Originally Built | Type | Present Capacity |
|---|---|---|---|
| Dryden Street Elementary | 1950 | Pre K-K | 478 |
| Park Avenue Elementary | 1962 | 1-5 | 663 |
| Drexel Avenue Elementary | 1951 | 1-5 | 414 |
| Powell's Lane Elementary | 1955 | 1-5 | 413 |
| Middle School | 1934 | 6-8 | 896 |
| Senior High School | 1958 | 9-12 | 1,195 |

Source: Westbury Union Free School District, Office of the District Treasurer.

## *Employees*

The District provides services through 720 employees who are represented by the following collective bargaining organizations.

**Employees**

| Number of Employees | Organization | Contract Expiration Date |
|---|---|---|
| 413 | Westbury Teachers Association | 6/30/21 |
| 122 | Westbury Teacher Aide Association | 6/30/22 |
| 21 | Westbury Association Administrators/Supervisors | 6/30/20 |
| 12 | United Public Service Employees Union – Nurses Unit | 6/30/19 |
| 37 | United Public Service Employees Union – Secretarial | 6/30/19 |
| 41 | United Public Service Employees Union – Custodial | 6/30/17(1) |
| 55 | Westbury School Lunch Association- NYS AFL-CIO | 6/30/22 |
| 28 | United Public Service Employees Union – Security | 6/30/17(1) |

(1) Currently under negotiation.

Source: Westbury Union Free School District, Office of the District Treasurer.

## *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; vesting will occur after 10 years; the time period for calculation of final average salary is increased from three years to five years; and the amount of overtime to be used to determine an employee's pension is capped at $15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. It also includes a voluntary, portable, defined contribution plan option for new non-union employees with salaries of $75,000 or more.

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 21 years. Under the ERS SCO, payment of deferred amounts begins the year immediately following the deferral and the repayment period is 12 years. Once made, the election to participate in the ERS SCO is permanent. However, the school districts can choose not to defer payment in any given year. In both plans, interest on the deferred amounts is based on the yield of 10-year U.S. Treasury securities plus 1%.

The primary benefit of participation in the SCO plans is the elimination of the uncertainty in the volatility of future pension contribution ARCs in the near term, thereby providing school districts with significant assistance in its ability to create a stable and reliable fiscal plan. The District has not amortized any of its employer pension payments as part of the SCO and expects to continue to pay all payments in full when due.

## *Other Post Employment Benefits*

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

GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits ("OPEB"). GASB 45 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 45 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 45 does not require that the unfunded liabilities actually be funded, only that the District account for its unfunded accrued liability and compliance in meeting its ARC. Actuarial valuation will be required every 2 years for the District.

The District is in compliance with the requirements of GASB 45. The District has determined that its actuarial accrued liability ("AAL") for OPEB as of July 1, 2018 was $205,664,295. For the year ended June 30, 2017, the District's ARC was $15,190,431.

Should the District be required to fund its unfunded actuarial accrued 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 actuarial accrued 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 has decided to continue funding the expenditure on a pay-as-you-go basis.

### *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 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.

## 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, 2018 is contained in Appendix B. As reflected in Appendix B, the District derives a significant portion of its annual revenues from a tax on real property. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

## *Real Property Taxes*

The District derives a major portion of its operating revenues from a tax on real property. Chapter 97 of the New York Laws of 2011, as amended, 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 54.07% of total general fund revenues for the fiscal year ended June 30, 2018, while State aid accounted for 39.04%.

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.

**Property Taxes**

| Fiscal Year Ended June 30: | Total Revenues(1) | Real Property Taxes(1) | Real Property Taxes to Revenues |
|---|---|---|---|
| 2014 | $111,579,516 | $69,657,512 | 62.43% |
| 2015 | 117,375,212 | 71,448,860 | 60.87 |
| 2016 | 122,547,218 | 72,941,903 | 59.52 |
| 2017 | 126,235,796 | 72,983,903 | 59.03 |
| 2018 | 136,556,045 | 73,836,676 | 54.07 |
| 2019 (Adopted Budget) | 151,360,739 | 77,223,323 | 51.02 |

(1) General Fund, exclusive of the Library District.

Source: Audited Financial Statements and Adopted Budget of the District. 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 fiscal years and the amount budgeted for the current fiscal year.

**State Aid**

| Fiscal Year Ended June 30: | Total Revenues(1) | Total State Aid | Percentage of Total Revenues Consisting of State Aid |
|---|---|---|---|
| 2014 | $111,579,516 | $33,499,877 | 30.02% |
| 2015 | 117,375,212 | 37,841,629 | 32.24 |
| 2016 | 122,547,218 | 41,442,460 | 33.82 |
| 2017 | 126,235,796 | 44,050,366 | 31.93 |
| 2018 | 136,556,045 | 53,320,446 | 39.04 |
| 2019 (Adopted Budget) | 151,360,739 | 55,639,136 | 36.76 |

(1) General Fund, exclusive of the Library District.

Source: Audited Financial Statements and Adopted Budget of the District. 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. During the 2012 to 2018 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 fiscal year, 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 the adoption of the State budget. Although the State's 2018-2019 Budget was adopted on March 30, 2018, in advance of the April 1 deadline, the State's 2017-2018 Budget was adopted on April 9, 2017, a delay of approximately 8 days. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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

The federal government may enact budgetary changes or take other actions that adversely affect State finances. State legislation adopted with the State's 2018-2019 Budget continues authorization for a process by which the State would manage significant reductions in federal aid during fiscal year 2018-2019 and fiscal year 2019-2020 should they arise. Specifically, the legislation allows the State Budget Director to prepare a plan for consideration by the State Legislature in the event that the federal government (i) reduces federal financial participation in Medicaid funding to the State or its subdivisions by $850 million or more; or (ii) reduces federal financial participation of other federal aid funding to the State that affects the State Operating Funds financial plan by $850 million or more, exclusive of any cuts to Medicaid. Each limit is triggered separately. The plan prepared by the State Budget Director must equally and proportionately reduce appropriations and cash disbursements in the State's General Fund and State Special Revenue Funds. Upon receipt of the plan, the State Legislature has 90 days to prepare its own corrective action plan, which may be adopted by concurrent resolution passed by both houses, or the plan submitted by the State Budget Director takes effect automatically.

On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act of 2017 (H.R. 1, P.L. 115-97), making major changes to the Federal Internal Revenue Code, most of which are effective in the 2018 tax year. The new federal tax law makes extensive changes to federal personal income taxes, corporate income taxes, and estate taxes, and the deductibility of various taxes and interest costs. The State's income tax system interacts with the federal system in numerous ways. The federal changes are expected to have significant flow-through effects on State tax burdens and revenues. The State's 2018-2019 Enacted Budget includes legislation decoupling certain linkages between federal and local income tax and corporate taxes, increasing the opportunities for charitable contributions, and providing an option to employers to shift to an employer compensation tax and reduce State personal income taxes. In addition, the State's 2018-2019 Enacted Budget includes legislation that grants localities the option to establish local charitable funds that would provide taxpayers with a credit against their property taxes.

In response to various state initiatives following changes to federal taxes and deductibility, the Department of Treasury (Treasury Department) and the Internal Revenue Service (IRS) have proposed regulations addressing state initiatives that would seek to circumvent the new statutory limitation on state and local tax deductions and characterization of payments for federal income tax purposes. At this time, the District does not presently have plans to establish a local charitable fund.

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

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.

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

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

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

## *Events Affecting New York School Districts*

Following a State budgetary crisis in 2009, State aid to school districts in the State decreased for a number of years with increases established in more recent years.

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

*School district fiscal year (2015-2016):* The State Legislature adopted the State budget on March 31, 2015. The budget included an increase of $1.4 billion in State aid for school districts that was tied to changes in the teacher evaluation and tenure process.

*School district fiscal year (2016-2017)*: The State Legislature adopted the State budget on March 31, 2016. The budget included an increase of $991 million in State aid for school districts over the State's 2015-16 Enacted Budget, $863 million of which consisted of traditional operating aid. In addition to the $408 million of expense based aid, the State's 2016-17 Enacted Budget included a $266 million increase in Foundation Aid and a $189 million restoration to the Gap Elimination Adjustment. The majority of the remaining increase related to ($100 million) Community Schools Aid, a newly adopted aid category, to support school districts that wish to create community schools. The funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families.

*School district fiscal year (2017-2018)*: The State's 2017-18 Enacted Budget provided for school aid of approximately $25.8 billion, an increase of $1.1 billion in school aid spending from the State's 2016-17 Enacted Budget. 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 were continued in full, as was the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d.

*School district fiscal year (2018-2019)*: The State's 2018-2019 Enacted Budget provides for school aid of approximately $26.7 billion, an increase of approximately $1.0 billion in school aid spending from the 2017-2018 school year. The majority of the increases have been targeted to high need school districts. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.2% and building aid increased by 4.7%. The State 2018¬2019 Enacted Budget continues to link school aid increases for 2018-2019 and 2019-2020 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d.

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

*Gap Elimination Aid:* The State provides annual State aid to school districts in the State, including the District, on the basis of various formulas. Due to the State's own budgetary crisis in 2009 and to assist the State in mitigating the impacts of its own revenue shortfall, the State reduced the allocation of State aid to school districts as part of a program known as the Gap Elimination Adjustment ("GEA"). The GEA was a negative number (funds that were deducted from the State aid originally due to the District under existing State aid formulas). The District's State aid was reduced as a result of the GEA program starting in 2009. Subsequent State budgets decreased the amount of the GEA deduction and the State's 2016-2017 Enacted Budget included the elimination of the remaining balance of the GEA.

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 financed 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.

## *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. 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 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."

See the State Comptroller's official website for more information regarding the foregoing.

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.

References to websites and/or website addresses presented herein are for informational purposes only and implies no warranty of accuracy of information therein. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

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## 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, including taxes levied for library purposes, and rates of tax per $1,000 assessed valuation for the last five fiscal years.

**Real Property Tax Assessments and Rates**
**(Fiscal Years Ending June 30:)**

**Town of North Hempstead**

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|
| Assessed Valuation | $ 9,034,770 | $ 8,795,875 | $ 8,451,280 | $ 8,216,460 | $ 7,756,971 |
| Equalization Rate | 0.32% | 0.31% | 0.28% | 0.28% | 0.25% |
| Full Valuation | 2,823,365,625 | 2,837,379,032 | 3,018,314,285 | 2,934,450,000 | 3,102,788,400 |
| Tax Levy(1) | 73,884,795 | 76,273,699 | 77,729,246 | 76,389,217 | 77,851,993 |
| Tax Rate Per $1,000 | 8,177.83 | 8,671.53 | 9,197.33 | 9,297.10 | 10,036.39 |

**Town of Hempstead**

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|
| Assessed Valuation | $ 322,329 | $ 309,942 | $ 280,254 | $ 283,690 | $ 347,508 |
| Equalization Rate | 0.33% | 0.31% | 0.28% | 0.28% | 0.26% |
| Full Valuation | 97,675,455 | 99,981,290 | 100,090,689 | 101,317,857 | 133,656,923 |
| Tax Levy(1) | 2,635,671 | 1,646,482 | 1,591,936 | 1,521,198 | 1,550,330 |
| Tax Rate Per $1,000 | 8,176.96 | 5,312.23 | 5,680.33 | 5,362.18 | 4,461.28 |

**Total**

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|
| Assessed Valuation | $ 9,357,099 | $ 9,105,817 | $ 8,731,534 | $ 8,500,150 | $ 8,104,479 |
| Full Valuation | 2,921,041,080 | 2,937,360,322 | 3,118,404,974 | 3,035,767,857 | 3,236,445,323 |
| Tax Levy(1) | 76,520,466 | 77,920,181 | 79,321,182 | 77,910,415 | 79,402,323 |

(1) Includes Library Tax Levy.

Source: New York State Office of the State Comptroller and Westbury Union Free School District, Office of the District Treasurer.

### *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 was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year's budget or one hundred twenty percent (120%) of the consumer price index ("CPI").

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 (such as the Notes) issued to finance voter approved capital expenditures and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Law. However, such exclusion does NOT apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

### *Tax Limit*

The Constitution does not limit the amount that may be raised by the District-wide tax levy on real estate in any fiscal year. However, the Tax Levy Limit Law imposes a statutory limit on the amount of real property taxes that a school district may levy.

### *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 receiver pays to each school district the amounts collected therefor 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 receiver files a report of any uncollected school district taxes with the County. The County thereafter on or before June 15 pays 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 some recent years, the District has experienced delays in its receipt of uncollected school district taxes from the County. In such years, the District received its payments in July and August, the first months of its subsequent fiscal year.

Under existing law, the County assumes liability for all tax certiorari refund payments, including any portion of the refund attributable to the reduction in the amount of taxes raised to support school district operations. The County does not currently seek reimbursement from the affected school district following the payment of a refund to a taxpayer. However, the County has enacted a law to end its long-standing practice of paying tax certiorari settlements on behalf of local taxing districts, including school districts. Such law is currently the subject of litigation. The trial court ruled in favor of the County, however the Appellate Division reversed the decision of the trial court. The County has appealed the decision of the Appellate Division and recently the Court of Appeals has agreed to hear the appeal in this case. Unless the decision of the Appellate Division is overturned on appeal, school districts located in the County will not be required to pay tax certiorari refunds, such refunds will continue to be the responsibility of the County. Notwithstanding the foregoing, under applicable law, school districts are permitted to finance the payment of tax certiorari refunding by issuing bonds or notes.

### *Real Property Tax Rebate*

Chapter 59 of the New York Laws of 2014 ("Chapter 59") included provisions which provided a refundable personal income tax credit to real property taxpayers in school districts in 2014 and 2015 and certain municipal units of government in 2015 and 2016. The eligibility of real property taxpayers for the tax credit in each year depended on such jurisdiction's compliance with the provisions of the Tax Levy Limitation Law. For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers was additionally contingent upon adoption by the school district or municipal unit of a State approved "government efficiency plan" which demonstrated three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies.

Chapter 20 of the New York Laws of 2015 ("Chapter 20") introduced a new real property tax rebate program that provides state-financed tax rebate checks and credits to taxpayers who are eligible for the STAR exemption in the years 2016-2019. For 2016, eligible taxpayers who resided outside New York City but within the Metropolitan Commuter Transportation District ("MCTD") received $130, and eligible taxpayers who resided outside the MCTD received $185. Credits in 2017-2019 will vary based on a taxpayer's personal income level and STAR tax savings. Similar to the Chapter 59 real property tax credit, under Chapter 20 the eligibility of real property taxpayers in each year depends on the school district's compliance with the provisions of the Tax Levy Limitation Law. Unlike Chapter 59, however, for taxpayers other than those living in one of the "Big 4" cities only the compliance of the school district in which the taxpayer resides is relevant. Municipal compliance with the Tax Levy Limitation Law is only required in the case of the "Big 4" cities that have fiscally dependent school districts. In such cases, the joint school/city levy must remain in compliance with the Tax Levy Limitation Law. In either scenario, the relevant jurisdiction (independent school district or joint city/school district) must certify its compliance with the provisions of Chapter 97.

While the provisions of Chapter 59 did not, and the provisions of Chapter 20 do not, directly further restrict the taxing power of the affected municipalities, school districts and special districts, Chapter 59 did, and Chapter 20 does, provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law.

## *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 included 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.

Approximately 8.2% of the District's 2017-2018 school tax levy was exempted by the STAR program and the District received full reimbursement of such exempt taxes from the State. Approximately 8.1% of the District's 2018-2019 school tax levy was exempted by the STAR program and the District expects to receive full reimbursement of such exempt taxes from the State in January, 2019. (See "*State Aid*" herein).

### *Ten of the Largest Taxpayers*

The following table presents the taxable assessments of ten of the District's largest taxpayers.

**Taxable Assessments**

| Taxpayer | Nature of Business | Assessed Valuation | % of Total Assessed Value (1) |
|---|---|---|---|
| Keyspan Gas East | Utility | $ 172,843 | 2.13% |
| HRSE EB Westbury | Real Estate | 166,860 | 2.06 |
| Next Millennium Realty LLC | Real Estate | 119,732 | 1.48 |
| Family Realty Corp | Real Estate | 92,607 | 1.14 |
| Oerlikon Metco US Inc. | Real Estate | 91,168 | 1.12 |
| Inland Western Westbury | Real Estate | 66,235 | 0.82 |
| Westbury Plaza Associate | Real Estate | 60,189 | 0.74 |
| West-Post Management Co. | Real Estate | 58,980 | 0.73 |
| White Oaks Partners LP | Real Estate | 58,876 | 0.73 |
| Verizon New York | Special Franchise | 46,377 | 0.57 |
| | Totals | $933,867 | 11.52% |

(1) The District's total assessed valuation for the 2018 fiscal year is $8,104,479.

Source: County of Nassau, Assessor's Office.

## 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 and statutory limitations include the following, in summary form.

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

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

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

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

## *Statutory Procedure*

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

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

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution, together with a statutory form of notice which, in effect, stops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. The District is in compliance with such procedure for the validation of the bond resolutions pursuant to which the Notes are being issued.

The Board of Education, as the finance board of the District, has the power to enact tax anticipation note resolutions. Such resolutions may authorize the issuance of tax anticipation notes in an aggregate principal amount necessary to fund anticipated cash flow deficits but in no event exceeding the amount of real property taxes levied or to be levied by the District, less any tax anticipation notes previously issued and less the amount of such taxes, previously received by the District.

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 bonds and 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.

## *Statutory Debt Limit and Net Indebtedness*

The debt limit of the District is $323,644,532, as of December 3, 2018. This is calculated by taking 10% of the current full value of the taxable real property of the District.

**Statutory Debt Limit and Net Indebtedness**

| | | |
|---|---|---|
| Full Valuation of Taxable Real Property | | $3,236,445,323 |
| Debt Limit (10% of Full Valuation) | | 323,644,532 |
| Outstanding Indebtedness[1] (Principal Only): | | |
| Bonds | $7,115,000 | |
| Bond Anticipation Notes | 0 | |
| Gross Indebtedness | | 7,115,000 |
| Less: Exclusions | | 0 |
| Total Net Indebtedness | | 7,115,000 |
| Net Debt-Contracting Margin | | $316,529,532 |
| Percentage of Debt-Contracting Margin Exhausted | | 2.20% |

(1) Tax anticipation notes, revenue anticipation notes and energy performance contracts are not included in the computation of the statutory debt limit of the District. (See "*Energy Performance Contract*" herein.)

Source: Westbury Union Free School District, Office of the District Treasurer.

## *Bond Anticipation Notes*

The District has not found it necessary to issue bond anticipation notes in recent years.

## *Revenue Anticipation Notes*

The District has not found it necessary to issue revenue anticipation notes in recent years.

## *Tax Anticipation Notes*

The District has not found it necessary to issue tax anticipation notes in recent years.

## *Trend of Capital Indebtedness*

The following table sets forth the amount of direct capital indebtedness outstanding for each of the last five fiscal years as of June 30 of each respective year.

**Direct Capital Indebtedness Outstanding**

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|
| Bonds | $15,449,048 | $13,445,000 | $11,410,000 | $9,375,000 | $7,310,000 |
| Bond Anticipation Notes | 0 | 0 | 0 | 0 | 0 |
| Totals | $15,449,048 | $13,445,000 | $11,410,000 | $9,375,000 | $7,310,000 |

Source: Audited Financial Statements of the District and Office of the District Treasurer. This summary is not audited.

## *Overlapping and Underlying Debt*

In addition to the District, other political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the District. The real property taxpayers of the District are responsible for a proportionate share of outstanding debt obligations of these subdivisions. Such taxpayers' share of overlapping and underlying debt is based on the amount of the District's equalized property values taken as a percentage of each separate unit's total 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**

| Issuer | Net Debt Outstanding | As of | District Share | Amount Applicable To District |
|---|---|---|---|---|
| Nassau County | $3,264,926,000 | 07/31/18 | 1.33% | $43,423,516 |
| North Hempstead Town | 293,477,432 | 07/04/18 | 2.93 | 8,598,889 |
| Town of Hempstead | 250,705,612 | 06/18/18 | 5.33 | 13,362,609 |
| Village of Westbury | 7,815,000 | 05/18/18 | 71.21 | 5,565,062 |
| Village of Old Westbury | 455,000 | 05/21/18 | 79.20 | 360,360 |
| Westbury Fire District | 0 | 12/31/15 | 100.00 | 0 |
| Total Net Overlapping Debt | | | | 71,310,435 |
| Total Net Direct Debt | | | | 7,115,000 |
| Net Direct and Overlapping Debt | | | | $78,425,435 |

Source: Data provided by County, Town, Village and Fire District officials.

## *Debt Ratios*

The following table presents certain debt ratios relating to the District's direct and overlapping indebtedness.

**Debt Ratios**

| | Amount | Debt Per Capita[1] | Debt to Full Value[2] |
|---|---|---|---|
| Net Direct Debt | $ 7,115,000 | $ 270 | 0.22% |
| Net Direct and Overlapping Debt | 78,425,435 | 2,978 | 2.42 |

(1) The current population of the District is estimated by District officials to be approximately 26,328.

(2) The District's full value of taxable real property for fiscal year 2017-2018 is $3,236,445,323.

## *Authorized and Unissued Indebtedness*

Following the issuance of the Notes, the District will have $55,395,000 in authorized but unissued debt to fund the construction of additions, alterations and improvements at the Westbury Middle School and the Westbury High School.

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### *Debt Service Schedule*

The following table shows the debt service requirements to maturity on the District's outstanding bonded indebtedness for fiscal years ending June 30.

**Bond Principal and Interest Maturity Table**

| Fiscal Year Ending June 30: | Principal | Interest[1] | Total Debt Service |
|---|---|---|---|
| 2019[2] | $2,070,000 | $41,650 | $2,111,650 |
| 2020 | 2,070,000 | 37,750 | 2,107,750 |
| 2021 | 2,075,000 | 33,550 | 2,108,550 |
| 2022 | 205,000 | 28,738 | 233,738 |
| 2023 | 210,000 | 23,288 | 233,288 |
| 2024 | 220,000 | 17,100 | 237,100 |
| 2025 | 225,000 | 10,425 | 235,425 |
| 2026 | 235,000 | 3,525 | 238,525 |
| Totals | $7,310,000 | $196,025 | $7,506,025 |

(1) On December 16, 2004, the District issued a $27,865,901 General Obligation Bond – 2004 (QZAB SERIES) which bears no interest. The bonds mature on December 15, 2020. Holders receive a tax credit from the Federal Government in lieu of interest on the bonds.
(2) For entire fiscal year.

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

### *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[1]**

| Fiscal Year Ending June 30 | Principal | Interest | Total |
|---|---|---|---|
| 2019[1] | $273,877 | $55,417 | $329,294 |
| 2020 | 284,714 | 44,580 | 329,294 |
| 2021 | 295,979 | 33,315 | 329,294 |
| 2022 | 307,689 | 21,605 | 329,294 |
| 2023 | 319,860 | 9,430 | 329,290 |
| Total | $1,482,144 | $164,322 | $1,646,466 |

(1) Totals may be off slightly due to rounding.
(2) For the entire fiscal year.

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

# ECONOMIC AND DEMOGRAPHIC DATA

## *Largest Employers*

The following is a list of the major employers in the District and surrounding area.

**Major Employers**

Major Employers in the District and surrounding area

| Name of Employer | Employment Code | Nature of Enterprise |
|---|---|---|
| Barnes & Noble | B | Retail bookstores |
| DHB | B | Body armor & sports medicine |
| King Kullen | B | Food retailing |
| Lifetime Hoan | B | Household cutlery |
| Westbury Public Schools | B | Education |
| 1-800-Flowers | B | Floral service |
| E-Z-EM, Inc. | C | Hospital equipment/supplies |
| Sulzer Metco Inc. | C | Spraying equipment |
| Metpar Corp. | D | Metal/Plastic Manufacturer |
| Spectronics | D | Ultraviolet Products |
| Tishcon | D | Pharmaceuticals Manufacturers |

| Employment Code | Number of Employees |
|---|---|
| A | more than 1,000 |
| B | 500 to 1,000 |
| C | 250 to 499 |
| D | 100 to 249 |

Source: Metro New York Directory of Manufacturers and the Long Island Leadership Guide.

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## *Population*

The District estimates its population to be approximately 26,255. The following table presents population trends for the District, the Village of Westbury (the "Village"), the Town of North Hempstead (the "Town"), County and State, based upon recent census data.

**Population Trend**

| | 2010 | 2016 |
|---|---|---|
| District | 26,328 | 26,255 |

| | 2000 | 2010 | 2016 | Percentage Change 2010/2016 |
|---|---|---|---|---|
| Village | 14,263 | 15,146 | 15,319 | 1.14% |
| Town | 222,611 | 226,322 | 231,122 | 2.12 |
| County | 1,334,544 | 1,339,532 | 1,361,500 | 1.64 |
| State | 18,976,457 | 19,378,102 | 19,849,399 | 2.43 |

Source: New York State Department of Commerce; New York State Department of Economic Development.

## *Income*

The following table presents median family income for the Town of North Hempstead, County and State. Data provided for the Town, County and State are not necessarily representative of the District.

**Median Family Income**

| | 2000 | 2010 | 2016 |
|---|---|---|---|
| Town | $94,156 | $95,221 | $108,999 |
| County | 79,926 | 91,104 | 102,044 |
| State | 52,280 | 54,148 | 55,322 |

Source: New York State Department of Commerce; New York State Department of Economic Development.

## *Employment and Unemployment*

The following tables provide information concerning employment and unemployment in the Town of North Hempstead, County and State. Data provided for the Town, County and State are not necessarily representative of the District.

**Civilian Labor Force**

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|
| Town | 111,800 | 110,600 | 113,000 | 113,800 | 114,300 |
| County | 697,100 | 688,800 | 701,600 | 704,600 | 708,000 |
| State | 9,659,200 | 9,591,300 | 9,644,600 | 9,668,700 | 9,704,700 |

Source: New York State Department Labor, Bureau of Labor Statistics

Unemployment rates are not compiled for the District, but are available for the Town of North Hempstead, County and State. Data provided in the following table is not necessarily representative of the District.

**Yearly Average Unemployment Rates**

| Year | Town | County | State |
|---|---|---|---|
| 2013 | 5.4% | 5.9% | 7.7% |
| 2014 | 4.4 | 4.8 | 6.3 |
| 2015 | 3.9 | 4.2 | 5.3 |
| 2016 | 3.6 | 3.9 | 4.8 |
| 2017 | 3.8 | 4.1 | 4.7 |

**Monthly Unemployment Rates**

| Month | Town | County | State |
|---|---|---|---|
| September 2017 | 4.0% | 4.2 | 4.6 |
| October | 3.7 | 4.1 | 4.4 |
| November | 3.8 | 4.1 | 4.4 |
| December | 3.6 | 4.0 | 4.4 |
| January 2018 | 4.2 | 4.5 | 5.1 |
| February | 4.5 | 4.7 | 5.1 |
| March | 4.0 | 4.2 | 4.8 |
| April | 3.6 | 3.8 | 4.3 |
| May | 3.2 | 3.4 | 3.7 |
| June | 3.5 | 3.7 | 4.2 |
| July | 3.4 | 3.7 | 4.2 |
| August | 3.4 | 3.7 | 4.1 |

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

**END APPENDIX A**