

**PRELIMINARY OFFICIAL STATEMENT DATED JULY 10, 2020**

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

**RATINGS: See “RATINGS” herein**

*In the opinion of Orrick, Herrington & Sutcliffe 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 Bonds and the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds and the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code. In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Bonds and the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. (See “TAX MATTERS” herein.)*

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

**WYANDANCH UNION FREE SCHOOL DISTRICT  
SUFFOLK COUNTY, NEW YORK**

**\$3,027,434\*  
DEFICIT BONDS – 2020  
(the “Bonds”)**

**Date of Issue: Date of Delivery**

**Maturity Dates: July 15, 2021 – 2030**

**\$15,000,000**

**TAX ANTICIPATION NOTES FOR 2020-2021 TAXES  
(the “Notes”)**

**Date of Issue: July 30, 2020**

**Maturity Dates: June 25, 2021**

The Bonds and the Notes are general obligations of the Wyandanch Union Free School District, Suffolk County, New York (the “District”), and will contain a pledge of the faith and credit of the District for the payment of the principal of and interest on the Bonds and the Notes and, unless paid from other sources, the Bonds and Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the District, subject to applicable statutory limitations. (See “*Nature of the Obligation*,” and “*The Tax Levy Limit Law*” herein).

The Bonds will be dated their Date of Delivery and will bear interest from such date payable July 15, 2021 and semiannually thereafter on January 15 and July 15 in each year until maturity. The Bonds will mature on July 15 in the years and amounts as set forth on the inside cover page hereof. The Bonds are not subject to redemption prior to maturity.

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

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

If the Notes are registered in the name of the successful bidder(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(s) 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 the Notes. The Bonds will be issued as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as the securities depository for the Bonds and such Notes issued in book-entry form. Individual purchases may be made in book-entry form only, in principal amounts of \$5,000 or integral multiples thereof, except for one necessary odd denomination in the first maturity of the Bonds that is or includes 7,434. Purchasers will not receive certificates representing their ownership interests in the Bonds and the Notes issued in book-entry form. Payment of the principal of and interest on such Bonds and Notes will be made by the District to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of such Bonds and Notes as described herein. (See “*Book-Entry-Only System*” herein.)

The Bonds and Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the respective final approving opinions of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel, and certain other conditions. It is anticipated that delivery of the Bonds and Notes will be made on or about July 30, 2020 through the offices of DTC, or such place agreed to by the purchaser(s) and the District.

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

DATED: July \_\_, 2020

\*Preliminary subject to change.

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

The Bonds will mature on July 15 in each year as set forth below:

<u>Date</u>	<u>Amount<sup>(1)</sup></u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number<sup>(2)</sup></u>
2021	\$247,434			
2022	285,000			
2023	290,000			
2024	295,000			
2025	300,000			
2026	305,000			
2027	315,000			
2028	320,000			
2029	330,000			
2030	340,000			

- (1) The principal amounts of the Bonds are subject to adjustment following their sale, pursuant to the terms of the accompanying Notice of Sale.
- (2) Copyright 1999-2013, Standard & Poor's, a Division of The McGraw-Hill Companies, Inc. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP number has been assigned by an independent company not affiliated with the District and is included solely for the convenience of the owners of the Bonds. The District is not responsible for the selection or uses of the CUSIP number, and no representation is made as to its correctness on the Bonds or as indicated above. The CUSIP number is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Bonds.

**WYANDANCH UNION FREE SCHOOL DISTRICT  
SUFFOLK COUNTY, NEW YORK**

**BOARD OF EDUCATION**

James Crawford .....President  
Latesha Walker ..... Vice President  
Shirley Baker. ....Trustee  
Ronald Fenwick .....Trustee  
Jarod Morris .....Trustee  
Charlie Reed.....Trustee  
Yvonne Robinson.....Trustee

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**DISTRICT OFFICIALS**

Dr. Gina Talbert ..... Superintendent of Schools  
Dan Somaiah .....School Business Official  
Winsome Ware..... District Treasurer  
Stephanie Howard.....District Clerk

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**BOND COUNSEL**

**Orrick, Herrington & Sutcliffe LLP  
New York, New York**

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**MUNICIPAL ADVISOR**



**Capital Markets Advisors, LLC  
Hudson Valley \* Long Island \* Southern Tier \* Western New York  
(516) 364-6363**

No dealer, broker, salesman or other person has been authorized by the District to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds or 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

### WYANDACH UNION FREE SCHOOL DISTRICT SUFFOLK COUNTY, NEW YORK

relating to

**\$3,027,434\***  
**DEFICIT BONDS – 2020**  
(the “Bonds”)

and

**\$15,000,000**  
**TAX ANTICIPATION NOTES FOR 2020-2021 TAXES**  
(the “Notes”)

This Official Statement, which includes the cover page, inside cover page and appendices hereto, presents certain information relating to the Wyandach Union Free School District, in Suffolk County, in the State of New York (the “District,” “County,” and “State,” respectively), in connection with the sale of \$3,027,434\* Deficit Bonds – 2020 (the “Bonds”) and \$15,000,000 Tax Anticipation Notes for 2020-2021 Taxes (the “Notes”).

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

### **THE BONDS AND THE NOTES**

#### ***Description of the Bonds***

The Bonds will be dated their Date of Delivery and will bear interest from such date payable July 15, 2021 and semiannually thereafter on January 15 and July 15 in each year until maturity. The Bonds will mature on July 15 in the years and amounts as set forth on the inside cover page hereof. The Bonds are not subject to redemption prior to maturity.

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof, except for one necessary odd denomination in the first maturity of the Bonds that is or includes \$7,434. Purchasers will not receive certificates representing their ownership interest in the Bonds.

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

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

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\*Preliminary subject to change.

The District will act as Paying Agent for the Bonds. Paying agent fees, if any, will be paid by the purchaser. The District's contact information is Ms. Winsome Ware, District Treasurer, phone: (631) 870-0406, email: [wware@wufsd.net](mailto:wware@wufsd.net).

### ***Description of the Notes***

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

The District will act as Paying Agent for any Notes issued in book-entry form. Paying agent fees, if any, will be paid by the purchaser(s). The District's contact information is Ms. Winsome Ware, District Treasurer, phone: (631) 870-0406, email: [wware@wufsd.net](mailto:wware@wufsd.net).

### ***Authority for and Purpose of the Bonds***

The Board of Education adopted a home rule resolution requesting that the State Legislature enact legislation authorizing the District to issue bonds pursuant to section 10.10 of the Local Finance Law in an aggregate amount not to exceed \$3,100,000 dollars to finance the District's accumulated General Fund deficit as of June 30, 2019. Legislation was reintroduced in both chambers of the State Legislature and was approved by both chambers and signed by the Governor on February 3, 2020 as Chapter 18 of the Laws of 2020 ("Chapter 18"). Chapter 18 authorized the appointment of a monitor to oversee the District and the following two purposes: (1) the advance of State aid payments to the District; and (2) to finance, subject to the provisions of section 10.10 of the Local Finance Law, accumulated deficit in the District's general fund, as of June 30, 2019, in an aggregate par amount not to exceed \$3,027,434. Pursuant to Chapter 18, the District is subject to certain requirements and procedures pursuant to Section 10.10 of the Local Finance Law ("Section 10.10") which states that the District may not issue any bonds for the purpose of liquidating such deficits until the amounts of such deficits are confirmed and certified by the State Comptroller. On March 13, 2020, the Office of the State Comptroller certified the District's deficit in the amount of \$3,027,434 as of June 30, 2019. Following the issuance of the Bonds, the District must submit to the State Comptroller each year, starting with the 2021-2022 fiscal year and for each subsequent fiscal year during which the deficit bonds are outstanding, the tentative or preliminary budget for the succeeding fiscal year. The State Comptroller must examine the proposed budget and make such recommendations as deemed appropriate thereon. Such recommendations shall be made after the examination into the estimates of revenues and expenditures of the District. Pursuant to Section 10.10, the Board of Education, no later than five days prior to the adoption of the budget, shall review any such recommendations made by the State Comptroller and may make adjustments to its proposed budget consistent with those recommendations. Any recommendations that the Board of Education rejects shall be explained in writing to the State Comptroller, provided however, that the District may not issue bonds for any object or purpose unless and until adjustments to its proposed budget consistent with any recommendations made by the State Comptroller or any such recommendations that are rejected have been explained in writing to the State Comptroller. For each fiscal year that the deficit bonds are outstanding, the District must prepare a quarterly report of summarized budget data depicting trends of actual revenues and budget expenditures for the entire budget. Such budgetary reports must compare revenue estimates and appropriations as set forth in the budget with actual revenues and expenditures received and incurred to date. The report must also contain a corrective action plan to address any unfavorable budget variances. All reports must be completed within thirty (30) days after the end of each quarter. The District shall also prepare, as part of such report, a quarterly trial balance of general ledger accounts. The above quarterly budgetary reports and quarterly trial balances shall be prepared in accordance with generally accepted accounting principles. These reports must be submitted at the end of each quarter to each member of the Board of Education, the Director of the New York State Division of Budget, the State Comptroller and the Chairs of the Senate Finance Committee and the Assembly Ways and Means Committee. Beginning with the 2021-2022 fiscal year and for each fiscal year occurring during the time the deficit bonds are outstanding, within thirty days after final adoption of the budget for the next succeeding fiscal year, the District must prepare a three (3) year financial plan covering the next succeeding fiscal year and the two fiscal years thereafter. The financial plan must contain the information required by paragraph (e) of Section 10.10 and must be submitted to the Board of Education, the Director of the New York State Division of Budget, the State Comptroller and the Chairs of the Senate Finance Committee and the Assembly Ways and Means Committee. Beginning with the 2021-2022 fiscal year and for each fiscal year occurring during the time the deficit bonds are outstanding, the District must notify the State Comptroller at least fifteen (15) days prior to the issuance of any bonds or notes or entering into any

installment purchase contract by the District and the State Comptroller may review and make recommendations regarding the affordability to the District of any such proposed issuance or contract.

### ***Authority for and Purpose of the Notes***

The Notes are issued pursuant to the Constitution and laws of the State, including Sections 24.00 and 39.00 of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of New York, and a tax anticipation note resolution adopted by the Board of the District to finance cash flow requirements in anticipation of the collection of 2020-2021 real property taxes levied for school and library purposes on all taxable real property in the District. The proceeds of the Notes may be used only for the purposes for which such taxes were or are to be levied, unless all of said purposes have been paid and satisfied, in which case the proceeds of the notes may be used for any lawful school purpose. The proceeds of the Notes will not be used for the redemption or renewal of any outstanding tax or revenue anticipation notes.

Pursuant to Section 24.00(e) of the Local Finance Law, generally, whenever the amount of the Notes and any additional tax anticipation notes issued by the District in anticipation of the receipt of 2020-2021 real property taxes equals the amount of such taxes remaining uncollected, the District is required to set aside in a special bank account all of such uncollected taxes as thereafter collected, and to use the amounts so set aside only for the purpose of paying such Notes. Interest on the Notes will be provided from budget appropriations.

### ***No Optional Redemption***

Neither the Bonds nor the Notes are subject to redemption prior to maturity.

### ***Nature of the Obligation***

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

The Bonds and the Notes are general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest the District has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the District subject to applicable statutory limitations. (See “*The Tax Levy Limit Law*” herein.)

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted” prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor, as amended, (the “Tax Levy Limit Law”). The Tax Levy Limit Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

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 is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limit Law imposes a statutory limitation on the District’s power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limit Law, it also provides the procedural method to surmount that limitation. (See “*The Tax Levy Limit Law*,” herein.)

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State’s highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

“A pledge of the City’s faith and credit is both a commitment to pay and a commitment of the city’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith and credit” is secured by a promise both to pay and to use in good faith the city’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit” are used and they are not tautological. That is what the words say and this is what the courts have held they mean . . . So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted. While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations.” According to the Court in Quirk, the State Constitution “requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., 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 New York 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 not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York 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.

## **SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT**

**State Aid Intercept For School Districts.** In the event of a default in the payment of the principal of and/or interest on the Bonds or the Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Bonds and the Notes. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes and bonds issued by the school



districts in the State for school purposes provides that it will not repeal, revoke or rescind the provisions of Section 99-b, 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 issued by a school district for school purposes shall file with the State Comptroller a verified statement describing such bond 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. Such investigation by the State Comptroller shall cover the current status with respect to the payment of principal of and interest on all outstanding bonds of such school district issued for school purposes and the statement prepared and filed by the State Comptroller shall set forth a description of all such bonds 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 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 bonds shall be forwarded promptly to the paying agent or agents for the bonds in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds. If any of such successive allotments, apportionments or payments of such State Aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds 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 in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds 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 pursuant to said Section 99-b.

**General Municipal Law Contract Creditors' Provision.** Each Bond and Note when duly issued and paid for will constitute a contract between the District and the holder thereof. Under current law, provision is made for contract creditors of the District to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the District upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Bonds or the Notes in the event of a default in the payment of the principal of and interest on the Bonds or the Notes.

**Execution/Attachment of Municipal Property.** 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, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the School District may not be enforced by levy and execution against property owned by the District.

**Authority to File For Municipal Bankruptcy.** The Federal Bankruptcy Code allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for 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 be made so applicable in the future.

**State Debt Moratorium Law.** There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of obligations.

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), 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.

**Constitutional Non-Appropriation Provision.** There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "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. (See "General Municipal Law Contract Creditors' Provision" herein.)

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

### ***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.

## **BOOK-ENTRY-ONLY SYSTEM**

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-

entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company and Clearing Corporation.

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

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

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

## **MARKET FACTORS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE**

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

The District's credit rating could be affected by circumstances beyond the District's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of District property and its

ability to maintain fund balances and other statistical indices commensurate with its current credit rating. Accordingly, a decline in the District's credit rating could adversely affect the market value of the Bonds and Notes.

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

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

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

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the COVID-19 outbreak has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to continue to affect economic growth worldwide. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. Efforts to contain the spread of COVID-19 has reduced the spread of the virus in some areas and there have been recent efforts to relax some of the restrictions put in place following the initial outbreak. Nevertheless, the outbreak of COVID-19 and the dramatic steps taken by the Federal government and State to address it are expected to negatively impact federal and local economies, including the economy of the State. The full impact of COVID-19 on the State's operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact to the District's operations and finances as a result of COVID-19 is extremely difficult to predict due to the uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions have been or may continue to be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The spread of the outbreak or resurgence later in the year could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "*State Aid*" and "*Events Affecting New York School Districts*" herein).

## **THE STATE COMPTROLLER'S FISCAL STRESS MONITORING SYSTEM AND OSC COMPLIANCE REVIEWS**

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

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

The most current applicable report of the State Comptroller designates the District as "Significant" with a Fiscal Score of 83.3% and an Environmental Score of 75.0%.

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 most recent such audit was released on August 17, 2018, covering the period from July 1, 2015 to May 31, 2017, to determine if: District officials used competitive methods to procure professional services; expenses for conferences attended by the Board of Education members and cell phones were supported and necessary; District officials effectively monitored fuel inventories. Results of the audit and corresponding recommendations have been discussed with District officials and comments from the District have been included as a part of the audit report. Furthermore, the State audit report and subsequent recommendations reflect only the viewpoint of the State and are intended to be resources of the District. Full copies of the State audit may be obtained by visiting the Office of the State Comptroller's official website.

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

## **CYBERSECURITY**

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

## LITIGATION

The District is subject to a number of lawsuits in the ordinary conduct of its affairs. The District does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the District.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the District, threatened against or affecting the District to restrain or enjoin the issuance, sale or delivery of the Bonds and the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds and the Notes or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the Bonds and the Notes or contesting the corporate existence or boundaries of the District.

## TAX MATTERS

### *Opinion of Bond Counsel*

In the opinion of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds and the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Bonds and the Notes is not a specific preference item for purposes of the federal alternative minimum tax. Complete copies of the proposed forms of opinions of Bond Counsel are set forth in Appendices E and F hereto.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds and the Notes. The District has covenanted to comply with certain restrictions designed to insure that interest on the Bonds and the Notes will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds and the Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds and the Notes may adversely affect the value of, or the tax status of interest on, the Bonds and the Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds and the Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Bonds and the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bonds or Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Bonds and the Notes is excluded from gross income for federal income tax purposes and is excluded from adjusted gross income for federal income taxes imposed by the State of New York and The City of New York, the ownership or disposition of, or the amount accrual or receipt of interest on, the Bonds and the Notes may otherwise affect an Owner’s federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Owner or the Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bond or Note to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit

of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds and the Notes. Prospective purchasers of the Bonds and the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

## **LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Bonds and the Notes are subject to the respective approving legal opinions of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. Bond Counsel's opinions will be in substantially the forms attached hereto in Appendices E and F, respectively.

## **DISCLOSURE UNDERTAKINGS**

This Official Statement is in a form "deemed final" by the District for the purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). At the time of the delivery of the Bonds and the Notes, the District will provide an executed copy of its undertaking to provide continuing disclosure certificate (the "Undertaking"). Said Undertaking will constitute a written agreement or contract of the District for the benefit of holders of and owners of beneficial interests in the Bonds and the Notes. In accordance with the requirements of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the District has agreed to provide, or cause to be provided,

(1) to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds and the Notes are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the final Official Statement anticipated to be dated July 7, 2020 of the District relating to the Bonds and the Notes under the headings "LITIGATION" and in Appendix A under the headings "THE DISTRICT", "FINANCIAL INFORMATION", "TAX INFORMATION", and "DISTRICT INDEBTEDNESS" and Appendix B by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending June 30, 2020, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending June 30, 2020; such audit (prepared in accordance with the accounting principles the District may be required to employ pursuant to State law or regulation), if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the District of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the District of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;

(2) timely notice, not in excess of ten (10) business days after the occurrence of such event, of the occurrence of any of the following events:

(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 Bonds and the Notes, or other material events affecting the tax status of the Bonds and the Notes; (vii) modifications to rights of Bondholders and Noteholders, if material; (viii) Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds and the Notes, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the District; (xiii) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, 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” (as defined in the Rule) of the District, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation, any of which affect security holders, if material; (xvi) default, event of acceleration, termination event, modification of terms or other similar events under a financial obligation of the District, if any such event reflects financial difficulties.

Event (iii) is included pursuant to a letter for the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (iii) is not applicable, since no “debt service reserves” will be established for the Bonds and the Notes.

With respect to event (iv) the District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds and the Notes.

With respect to event (xii) 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 District 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 District, 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 District.

With respect to events (xv) and (xvi) above, the term “Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

The District may provide notice of the occurrence of certain other events, in addition to those listed above, if it determines that any such other event is material with respect to the Bonds and the Notes; but the District does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above; and

(3) in a timely manner, notice of a failure to provide the annual financial information and operating data and such audited financial statement by the date specified.

The District’s Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Bonds and the Notes shall have been paid in full or in the event that those portions of the Securities and Exchange Commission Rule 15c2-12 (“Rule 15c2-12”) which require the Undertaking, or such provision, as the case may be, do not or no longer apply to the Bonds and the Notes. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the District, and no person or entity, including a Holder of the Bonds or the Notes, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the District to comply with the Undertaking will not constitute a default with respect to the Bonds and the Notes.

The District reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that any such amendment or modification will be done in consultation with nationally recognized bond counsel in a manner consistent with Rule 15c2-12, as amended.

## ***Compliance History***

On January 3, 2018, the District filed a material event notice with EMMA regarding the notice of failure to provide continuing disclosure information. For the Fiscal year ended June 30, 2016, the District filed its annual financial information on January 2 2017, which was seven days past the filing deadline of December 27, 2016.

## **RATINGS**

The District has applied to S&P Global Ratings (“S&P”) for a rating on the Bonds. Such application is pending at this time.

The District did not apply to S&P for a rating on the Notes.

The District’s underlying credit rating from S&P is “A-”. with a negative outlook.

Such rating reflects only the views of such rating agency and any desired explanation of the significance of such rating should be obtained from S&P at the following address: S&P Global Ratings, 55 Water Street, New York, New York 10041. 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 S&P, circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of the Bonds or the Notes or the availability of a secondary market for the Bonds or the Notes.

## **MUNICIPAL ADVISOR**

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

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

## **MISCELLANEOUS**

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are “forward-looking statements”, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the District management’s beliefs as well as assumptions made by, and information currently available to, the District management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District files with the repositories. When used in District documents or oral presentation, the words “anticipate”, “believe”, “intend”, “plan”, “foresee”, “likely”, “estimate”, “expect”, “objective”, “projection”, “forecast”, “goal”, “will, or “should”, or similar words or phrases are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Bonds or the Notes.

Orrick, Herrington & Sutcliffe LLP, New York, New York, bond counsel to the District, expresses no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Bonds and the Notes, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Bonds and the Notes, the District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to limitation as to information in the Official Statement obtained from sources other than the District, as to which no representation can be made.

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

The District hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at [www.capmark.org](http://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 sourced 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 disclaims any duty or obligation either to update or to maintain the 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 assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

Additional information may be obtained upon request from the District's Municipal Advisor, Capital Markets Advisors, LLC, at (516) 364-6363 or from the District Business office at 631-870-0406.

WYANDANCH UNION FREE SCHOOL DISTRICT

By: /s/ \_\_\_\_\_  
James Crawford  
President of the Board of Education

DATED: July \_\_, 2020

**APPENDIX A**

**THE DISTRICT**

## **THE DISTRICT**

### ***General Information***

The District, with an estimated population of 11,198, is situated on Long Island in the southwestern portion of Suffolk County. Located 20 miles east of the New York City border, the District encompasses approximately four square miles within the Town of Babylon, including portions of the unincorporated areas of Wyandanch and East Farmingdale.

The District was originally established as the Babylon Union Free School District No. 9. In 1973, the District adopted its present legal name, the Wyandanch Union Free School District.

The character of the District is primarily residential. The majority of the homes within the District are single-family residences. There has been moderate development of the light industrial and commercial sectors. The District includes several industrial parks. Commercial activity is centered around several small shopping centers, which are primarily located in Wyandanch.

Transportation is provided to and from the District by bus companies and a network of highways. A main thoroughfare, Straight Path, provides access to the Long Island Expressway, Northern State Parkway, Southern State Parkway, and Sunrise Highway. Rail passenger service is provided by the Long Island Railroad. Major airline service is provided at John F. Kennedy International Airport, LaGuardia Airport, and L.I. MacArthur Airport.

Electricity and natural gas are supplied throughout the District by the Long Island Power Authority. A portion of the District's water supply and distribution system is administered by the Suffolk County Water Authority, with the balance of the School District served by well-water. Sanitary sewer service is provided through septic systems.

Police protection is provided by the Suffolk County Police Department; fire protection and ambulance services are provided by local volunteer units.

### ***Form of School Government***

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 School 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. Each year an election is held within the District boundaries to elect members to the Board of Education. They are elected for a term of three years.

Each year, the Board of Education meets for the purpose of reorganization. At that time an election is held within the Board to elect a president and vice president, as well as to appoint a District Clerk and District Treasurer.

### ***Budgetary Procedures***

Pursuant to the Education Law, the Board of Education annually prepares a detailed statement of estimated sums necessary for the various expenditures of the District for the ensuing fiscal year (tentative budget) and distributes that statement not less than seven days prior to the date on which the annual school election is conducted, at which the tentative budget is voted upon. Notice of the annual election is published as required by statute with a first publication not less than forty-five days prior to the day of election.

If the qualified voters at the annual election approve the tentative budget, the Board of Education, by resolution, adopts the tentative budget of the District for the ensuing year. In the event the tentative budget is disapproved by a majority of the voters, the Board of Education may call and hold subsequent elections on a budget. See "*The Tax Levy Limit Law*" herein for a discussion of limits on the tax levy in the event of a contingent budget. The 2019-2020 budget was rejected by District voters on May 21, 2019 and subsequently rejected again during a special re-vote held by the District on June 18, 2019.

Pursuant to a recent Executive Order, school district elections and budget votes that normally would have been held on May 19, 2020 were postponed until June 16, 2020. At such time, the District's 2020-2021 budget was adopted by voters of the District. A summary of the 2019-2020 Contingency Budget and the 2020-2021 Adopted Budget is available in Appendix B.

## State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its 2020-2021 Adopted Budget, the District expects to receive approximately 65.0% of its operating revenues in the form of State aid.

The following table illustrates the percentage of total revenues of the District for each of the last five audited fiscal years, and the amounts budgeted for the recently concluded and current fiscal year, comprised of State aid.

Fiscal Year Ended June 30:	Total Revenues	Total State Aid	State Aid to Revenues
2015	\$61,330,542	\$37,525,447	61.2%
2016	62,681,596	38,731,618	61.8
2017	65,163,750	40,918,309	62.8
2018	66,339,824	41,565,198	62.8
2019	69,863,404	44,743,839	64.0
2020 (Contingency Budget)	71,253,093	46,876,231	65.8
2021 (Adopted Budget)	77,870,382	46,623,761	65.0

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

In addition to the amount of State Aid budgeted by the District in its 2020-2021 fiscal year, the State is expected to make payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program in the 2020-2021 fiscal year (see “*STAR-School Tax Exemption*” herein).

There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either. The amount of State aid to school districts is dependent in part upon the financial condition of the State. Currently, due to the outbreak of COVID-19 the State has declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it have and are expected to continue to negatively impact the State’s economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will be required to take certain gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of school districts in the State, including the District.

The State’s 2020-2021 Adopted Budget authorizes the State’s Budget Director to make periodic adjustments to nearly all State spending, including State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Specifically, the legislation provides that the State Budget Director will determine whether the State’s 2020-2021 budget is balanced during three “measurement periods”: April 1 to April 30, May 1 to June 30, and July 1 to December 31. According to the legislation, if “a General Fund imbalance has occurred during any Measurement Period,” the State’s Budget Director will be empowered to “adjust or reduce any general fund and/or state special revenue fund appropriation ... and related cash disbursement by any amount needed to maintain a balanced budget,” and “such adjustments or reductions shall be done uniformly across the board to the extent practicably or by specific appropriations as needed.” The legislation further provides that prior to making any adjustments or reductions, the State’s Budget Director must notify the Legislature in writing and the Legislature has 10 days following receipt of such notice to prepare and approve its own plan. If the Legislature fails to approve its own plan, the Budget Director’s reductions take effect automatically.

It is anticipated that the State Budget Director’s powers discussed herein will be activated and across-the-board and targeted reductions to local aid programs will be taken to close a substantial portion of the State fiscal year 2021 budget gap caused by the receipts shortfall. On April 25, 2020 the New York State Division of the Budget announced that the State fiscal year 2021 Enacted State Budget Financial Plan (the “Financial Plan”), projects a \$13.3 billion shortfall as a direct consequence of the COVID-19 pandemic. As a result, in the absence of Federal assistance, initial budget control actions are expected to significantly reduce State spending in several areas, including “aid-to-localities,” a broad spending category that includes

funding for health care, K-12 schools, and higher education as well as support for local governments, public transit systems, and not-for-profits. Reduced receipts are expected to carry through each subsequent year of the four year Financial Plan through State fiscal year 2024. Reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State. (See “*Events Affecting New York School Districts*” herein).

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

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

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

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 State Aid to New York School Districts***

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

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

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

*School district fiscal year (2016-2017):* The State Legislature adopted the State budget on March 31, 2016. The budget included an increase of \$991 million in State aid for school districts over the 2015-16 budget, \$863 million of which consisted of traditional operating aid. In addition to the \$408 million of expense based aid, the State's Adopted 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 2017-2018 Enacted Budget provides for school aid of approximately \$25.8 billion, an increase of \$1.1 billion in school aid spending from the 2016-2017 school year. The majority of the increases have been targeted to high need school districts. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State's 2017-18 Enacted Budget continues to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. In addition, the State's Enacted 2017-2018 Budget allows the Governor to reduce aid to school districts mid-year if receipts from the Federal government are less than what was expected. If federal support is reduced by \$850 million or more, the New York State Director of the Budget will develop a plan to make uniform spending reductions by the State. Such plan would take effect automatically unless the State Legislature passes its own plan within 90 days.

*School district fiscal year (2018-2019):* On January 16, 2018, the Governor's Proposed Budget was introduced. The budget recommended \$26.4 billion in school aid, which was an increase of \$769 million (3%) from the previous year. Also included was a proposed \$338 million increase in Foundation Aid, of which over 70% is expected to go to high-need districts. Included was a proposed increase of \$50 million for the funding of community schools, resulting in a total of \$200 million for the fiscal year. Important initiatives from prior years are also sustained, including the \$340 million Statewide Universal Full-day Pre-K program and the \$2 billion Smart Schools Bond Act.

*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 had been 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 is 3.7 percent lower than in the State's 2019-2020 Enacted Budget but is offset in part with increased Federal support. This reduction in State Operating Funds support will be offset by approximately \$1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 is expected to total \$27.9 billion, an annual increase of approximately \$100 million or 0.4 percent. The State's 2020-2021 Enacted Budget continues prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provides over \$200 million in support for competitive grant programs, including \$1 million for development of a new Civics Education curriculum and \$10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid,



Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid is continued under existing aid formulas. Out-year growth in School Aid reflects current projections of the ten-year average growth in State personal income. The State’s 2020-2021 Enacted Budget authorizes the State’s Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. See “*State Aid*” herein for a discussion of this provision set forth in the State’s 2020-2021 Enacted Budget and recent releases by the State regarding the projected revenue shortfalls in such budget.

*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 then 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 Adopted Budget for the State’s 2016-2017 fiscal year eliminated 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 by the State 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.

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).

***School Facilities***

<u>Name of School</u>	<u>Grades</u>	<u>Capacity</u>	<u>Construction (Renovations)</u>
La Francis Hardiman Elementary School	Pre K-2	786	1999
Martin Luther King Elementary School	3-5	688	1957
Straight Path Elementary School	Admin.	259	1937, 1997
Milton L. Olive Middle School	6-8	761	1976
Wyandanch Memorial High School	9-12	<u>1,052</u>	1961
Total School Capacity		3,546	

***Enrollment Trends***

<u>School Year</u>	<u>Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2015-2016	2,457	2020-2021	2,905
2016-2017	2,584	2021-2022	2,992
2017-2018	2,750	2022-2023	3,082
2018-2019	2,764	2023-2024	3,174
2019-2020	2,858		

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

## ***Employees***

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

<u>No. of Employees</u>	<u>Union</u>	<u>Expiration Date</u>
15	Wyandanch Administrators Association	6/30/19
205	Wyandanch Teacher's Association	6/30/21
42	Wyandanch Teacher Assistant's Association	6/30/18 <sup>1</sup>
38	Wyandanch Administrative Support Association	6/30/21
50	Local 424 – Operations, Maintenance, Transportation, Food Service and Bus Monitors	6/30/21
13	Local 424 – Security Guards	6/30/21
8	Non-Affiliated	N/A

<sup>1</sup>Currently in negotiation.

## ***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 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 does not plan to participate in the TRS or ERS SCO program.

While the District is aware of the potential negative impact on its budget and will take the appropriate steps to budget accordingly for the increase, there can be no assurance that its financial position will not be negatively impacted. The District’s contributions to ERS and TRS for the last five audited fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2015	\$1,250,413	\$3,763,235
2016	719,986	2,931,635
2017	947,518	2,712,843
2018	893,306	2,430,034
2019	773,454	2,224,908

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The District does not currently have any early retirement incentive programs.

Uncertainty regarding the short, medium and long-term effects of the COVID-19 pandemic has caused extreme volatility across all financial markets, including those markets in which the Retirement System funds are invested. While State Comptroller DiNapoli has made recent comments that the Common Retirement Fund is well-positioned to withstand current market disruption, the impacts of such volatility on future contribution rates, if any, cannot be known at this time. (See “*Market Factors Affecting Financings of the State and School Districts of the State*” herein for further detail.)

***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, 2019 was \$109,975,920 using a discount rate of 3.50% and actuarial assumptions and other inputs as described in the District’s June 30, 2019 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 to create an optional investment pool to help the State and local governments fund retiree health insurance and OPEB. The proposed legislation would 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 proposed legislation, 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.

### ***Unemployment Rate Statistics***

Unemployment statistics are not available for the District as such. The information set forth below with respect to the County of Suffolk is included for information purposes only. It should not be implied from the inclusion of such data in this Official Statement that the County is necessarily representative of the District, or vice versa.

Figures in this section are historical and do not speak as to current or projected employment rates. Unemployment has drastically increased since mid-March due to the COVID-19 global pandemic. (See "*Market Factors Affecting Financings of the State and School Districts of the State*" herein.)

	<u>Year Average</u>				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Suffolk County	4.7%	4.4%	4.5%	3.8%	3.7%
New York State	5.3%	4.9%	4.7%	4.1%	4.0%

	<u>2020 Monthly Figures</u>				
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>
Suffolk County	4.2%	4.0%	4.1%	16.5%	12.4
New York State	4.1%	3.9%	4.2%	15.1%	14.2%

Source: State of New York, Department of Labor. (Note: Figures not seasonally adjusted).

### ***Other Information***

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which the Bonds and the Notes are to be issued is the Education Law and the Local Finance Law.

This Official Statement does not include the financial data of any political subdivision having power to levy taxes within the District except the information included in the section entitled "*Estimated Overlapping Indebtedness*".

No principal or interest upon any obligation of the District is past due.

The fiscal year of the District is July 1 to June 30.

## **FINANCIAL INFORMATION**

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 such revenues and expenditures for the five-year period ending June 30, 2019 is contained in the Appendix B). The District also has the following funds: School lunch, Trust and Agency, and Special Aid.

## ***Financial Statements***

The District retains Independent Certified Public Accountants. The last audited report covers the period ending June 30, 2019, a link to the report can be found in Appendix D. In addition, the State Comptroller's office, Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes.

## ***Investment Policy***

The District investment policies are governed by State statutes. The District has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The District is authorized to use demand accounts, savings accounts, money market accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies and obligations of New York State or its political subdivisions.

Collateral is required for demand, savings and certificates of deposit at 100% of all deposits not covered by federal deposit insurance. The District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

The District's policy does not permit the District to invest in so-called derivatives or reverse repurchase agreements and the District has never invested in derivatives or reverse repurchase agreements.

## **TAX INFORMATION**

### ***Valuations, Tax Levy, Tax Rates and Uncollected Taxes***

Year Ending June 30:	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Assessed Valuation	\$9,682,885	\$9,705,235	\$9,557,617	\$9,571,480	\$9,588,701
State Equalization Rates	1.19%	1.18%	1.12%	1.07%	0.97%
Full Valuation	\$813,687,815	\$822,477,542	\$853,358,661	\$894,530,841	\$988,525,876
Tax Levy	\$21,249,964	\$21,444,824	\$21,593,286	\$21,890,994	\$21,890,994
Tax Rate Per \$1,000					
Assessed Valuation	\$2,194.59	\$2,209.61	\$2,259.28	\$2,287.11	\$2,283.00
Uncollected Taxes: <sup>1</sup>	None	None	None	None	None

<sup>1</sup>See "Tax Collection Procedure".

### ***Tax Limit***

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

### ***The Tax Levy Limit Law***

Chapter 97 of the Laws of 2011, as amended (herein referred to as the "Tax Levy Limit Law" or "Law") modified existing 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 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 (such as the Notes), revenue anticipation notes, budget notes and deficiency bonds (such as the Bonds) and notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments. (See also "*Nature of Obligation*" herein).

### ***Tax Collection Procedure***

Property taxes for the District, together with Town and County taxes are collected by the Town Tax Receiver. Such taxes are due and payable in equal installments on December 1 and May 10, but may be paid without penalty by January 10 and May 31, respectively. Penalties on unpaid taxes are 1% per month from the date such taxes are due and payable and 10% after May 31.

The District receives its full levy before the end of its fiscal year. Uncollected amounts are not segregated by the Town Tax Receiver, and any deficiency in tax collection is the County's liability.

### ***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 made several changes to the STAR program, which went into effect immediately. The changes were intended to encourage home owners to switch from the STAR exemption to the STAR credit. The income limit for the exemption was 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 18.86% of the District's 2020-2021 school tax levy is expected to be exempted by the STAR program and the District has received full reimbursement of 2019-2020 exempt taxes from the State. The District anticipates that it will receive full reimbursement of such exempt taxes in the 2020-2021 fiscal year.

### ***Larger Taxpayers***

<u>Name</u>	<u>Type</u>	<u>2019-2020 Assessed Valuation</u>
Long Island Power Authority	Public Utility	\$142,418
Long Island Lighting Co	Public Utility	136,100
Pinelawn Cemetery	Cemetery	111,812
Linzer Products Co	Manufacturer	87,750
Wyandanch Day Care Center	Childcare	56,050
Rosenberg Wyandanch LLC	Commercial	51,470
Rolling Frito-Lay Sales LP	Commercial	51,240
Bobby Corp	Commercial	32,230
All Island Properties LLC	Commercial	26,430
RLLR Investments LLC	Commercial	24,870

## **DISTRICT INDEBTEDNESS**

### ***Constitutional Requirements***

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

**Purpose and Pledge.** The District shall not give or lend any money or property to or in aid of any individual or private corporation or private undertaking or give or lend 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 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.

### ***Statutory Procedure***

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

Bond resolutions adopted by the Board of Education, except those to finance judgments, may not be adopted unless a proposition approving the financed capital project shall have been approved prior thereto at a special or annual school district election held in accordance with the Education Law.

**Debt Limit.** Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any school district purpose authorized by the Legislature of the State of New York, provided the aggregate principal amount thereof shall not exceed ten per centum (10%) of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the District is not authorized to expend money,
- or, (2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations

and an action contesting such validity, is commenced within twenty days after the date of such publication,

- or, (3) Such obligations are authorized in violation of the provisions of the Constitution.

It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement. This procedure is not applicable to budget, tax or revenue anticipation notes (such as the Bonds and the Notes).

The Board of Education, as the finance board of the District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the President of the Board of Education.

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Summary of Constitutional Debt Limit" herein).

In general, the Local Finance Law contains provisions providing the District with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget notes (see "Summary of Constitutional Debt Limit" herein).

***Debt Outstanding End of Fiscal Year***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Bonds	\$21,440,000	\$19,285,000	\$17,050,000	\$15,640,000	\$14,180,000
Bond Anticipation Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding <sup>1</sup>	<u>\$21,440,000</u>	<u>\$19,285,000</u>	<u>\$17,050,000</u>	<u>\$15,640,000</u>	<u>\$14,180,000</u>

<sup>1</sup>Does not include tax anticipation notes or revenue anticipation notes issued prior to the end of a fiscal year and issued in anticipation of the succeeding fiscal year's receipts and subsequently paid in full. See "Revenue and Tax Anticipation Notes."



***Installment Purchase Debt***

The following is a summary of the School District’s installment debt obligations.

<u>Description of Issue</u>	<u>Issue Year</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding at June 30, 2019</u>
Energy Performance Contract	2008	2023	5.71%	\$1,922,022

***Authorized and Unissued Indebtedness***

Following the issuance of the Bonds, the District will no longer have any authorized but unissued debt.

***Summary of Constitutional Debt Limit***

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of July 10, 2020.

Full Valuation of Taxable Real Property .....	\$988,525,876
Debt Limit....10% thereof .....	\$98,852,588
<u>Indebtedness:</u> <sup>1</sup>	
Bonds .....	\$12,675,000
Total Net Indebtedness <sup>2</sup> .....	<u>12,675,000</u>
Net Debt-Contracting Margin .....	<u>\$86,177,588</u>

The percent of debt contracting power exhausted is 12.82%.

<sup>1</sup> Tax Anticipation and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the School District.  
<sup>2</sup> No deduction has been taken for State aid for building purposes. Such aid is estimated to be 77% of eligible debt service expenditures.

***Debt Ratios***

The following table sets forth certain ratios relating to the District’s indebtedness as of July 10, 2020.

	<u>Amount</u>	<u>Per Capita</u> <sup>1</sup>	<u>Percentage of Full Value</u> <sup>2</sup>
Gross Indebtedness (see Computation of Debt Limit)	\$12,675,000	\$1,131.90	1.28%

<sup>1</sup>The estimated population of the District is 11,198.  
<sup>2</sup>The District’s full value of taxable real estate for 2019-2020 is \$853,358,661.

***Revenue and Tax Anticipation Notes***

The following is a history of tax anticipation note and revenue anticipation note borrowings for the last five fiscal years:

<u>Fiscal Year</u>	<u>Amount</u>	<u>Type</u>	<u>Issue Date</u>	<u>Due Date</u>
2015-16	\$12,000,000	TAN	7/16/15	6/30/16
2016-17	12,000,000	TAN	7/19/16	6/30/17
2017-18	12,000,000	TAN	7/20/17	6/30/18
2018-19	12,000,000	TAN	7/19/18	6/21/19
2019-20	17,000,000	TAN	7/05/19	6/26/20
2020-21 (Projected)	15,000,000	TAN	7/21/20	6/25/21

***Estimated Overlapping Indebtedness***

In addition to the District, the following 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.

<u>Unit</u>	<u>Outstanding Net Indebtedness</u>	<u>District's Share</u>	<u>Indebtedness</u>
County of Suffolk	\$2,245,811,977	0.32%	\$ 7,186,598
Town of Babylon	167,691,350	4.07%	<u>6,852,038</u>
Total			<u>\$14,011,636</u>

Source: New York State Comptroller's Special Report on Municipal Affairs for Fiscal Year ended in 2018.

***Long-Term Debt Service Schedule***

The following table sets forth all fiscal year principal and interest payments required on all outstanding long-term bond indebtedness of the District, exclusive of the Bonds. The table does not exclude any payments that may have been made in the current fiscal year.

<u>Fiscal Year Ending June 30th</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal &amp; Interest</u>
2021	\$ 1,560,000	\$ 466,254	\$ 2,026,254
2022	1,620,000	407,179	2,027,179
2023	1,440,000	349,422	1,789,422
2024	1,495,000	293,251	1,788,251
2025	1,550,000	233,411	1,783,411
2026	1,605,000	169,798	1,774,798
2027	1,670,000	103,718	1,773,718
2028	1,735,000	35,010	1,770,010
<b>TOTALS</b>	<u>\$12,675,000</u>	<u>\$2,058,043</u>	<u>\$14,733,043</u>

**End of Appendix A**

**APPENDIX B**

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

**Wyandanch Union Free School District**  
 Consolidated Statement of Budgeted Revenues and Expenses  
 General Fund  
 Fiscal Year Ending June 30:

	2019-2020 Contingency Budget <sup>[1]</sup>	2020-2021 Adopted Budget <sup>[2]</sup>
<u>REVENUES</u>	<hr/>	<hr/>
Real Property Taxes	\$21,890,994	\$22,613,397
Charges for Services	1,515,868	1,515,868
Use of Money and Property	20,000	20,000
Miscellaneous	350,000	350,000
State Sources	46,876,231	46,623,761
Federal Sources	600,000	600,000
Appropriated Fund Balance	0	0
Total Revenues	<hr/> <u>\$71,253,093</u> <hr/>	<hr/> <u>\$71,723,026</u> <hr/>
 <u>EXPENDITURES</u>		
General Support	11,706,222	12,419,209
Instruction	32,169,665	33,965,167
Pupil Transportation	6,154,971	6,072,634
Community Service	0	0
Employee Benefits	16,454,002	16,485,594
Debt Service	2,780,422	2,780,422
Interfund Transfers	0	0
Total Expenditures	<hr/> <u>\$69,265,282</u> <hr/>	<hr/> <u>\$71,723,026</u> <hr/>

[1] The contingency budget for the 2019-2020 fiscal year was accepted by voters of the District.

[2] The budget for the 2020-2021 fiscal year was adopted by voters of the District on June 16, 2020.

Source: Annual budget of the Wyandanch Union Free School District.

**Wyandanch Union Free School District**  
Consolidated Balance Sheet  
General Fund  
Fiscal Year Ending June 30:

As of June 30:	2018	2019
<u>ASSETS</u>		
Unrestricted Cash	\$2,777,312	\$476,590
Restricted Cash	1,653,152	952,803
Due from Other Governments	2,512,546	2,765,274
Due from Other Funds	1,940,046	1,314,022
State and Federal Aid	1,437,566	2,120,602
Tax Receivable	0	0
Accounts Receivable	46,764	19,524
<b>TOTAL ASSETS</b>	<b>10,367,386</b>	<b>7,648,815</b>
<u>LIABILITIES</u>		
Accounts Payable	2,840,167	701,890
Accrued Liabilities	1,120,611	491,284
Due to Other Governments	686,220	3,251,485
Due to Other Funds	143,589	243,762
Deferred Resources	915,893	912,252
Due to Teachers' Retirement System	2,771,315	3,283,725
Due to Employees' Retirement System	239,824	229,297
Compensated Absence	83,431	351,066
<b>TOTAL LIABILITIES</b>	<b>8,801,050</b>	<b>9,464,761</b>
<u>FUND BALANCES<sup>1</sup></u>		
Nonspendable	0	0
Restricted	1,653,152	952,803
Assigned	1,098,996	258,685
Unassigned	(1,185,812)	(3,027,434)
<b>TOTAL FUND EQUITY</b>	<b>1,566,336</b>	<b>(1,815,946)</b>
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$10,367,386</b>	<b>\$7,648,815</b>

Source: Annual audited financial statements of Wyandanch Union Free School District.  
Summary itself not audited.

**Wyandanch Union Free School District**  
 Combined Statement of Revenues, Expenditures and Changes in Fund Balance  
 General Fund  
 Fiscal Year Ending June 30:

Year Ended June 30:	2015	2016	2017	2018	2019
<b>REVENUES</b>					
Real Property Taxes	\$19,173,807	\$19,513,366	\$19,683,984	\$19,832,748	\$20,213,977
Other Tax Items	2,924,112	2,895,496	2,970,438	3,563,891	3,321,016
Charges for Services	348,202	(89,489)	240,169	141,661	91,735
Use of Money and Property	63,668	52,957	60,432	62,328	73,945
Forfeitures	0	140	240	0	0
Sale of Property and Compensation for Loss	170,867	2,390	289,383	133,249	198,121
Miscellaneous	374,467	872,566	289,593	380,266	254,112
Interfund Revenues	0	11,829	0	0	0
State Sources	37,525,447	38,731,618	40,918,309	41,565,198	44,743,839
Federal Sources	749,972	690,723	711,202	660,483	966,659
<b>Total Revenues</b>	<b>61,330,542</b>	<b>62,681,596</b>	<b>65,163,750</b>	<b>66,339,824</b>	<b>69,863,404</b>
<b>EXPENDITURES</b>					
General Support	7,166,315	7,506,266	7,855,232	8,718,358	8,472,989
Instruction	29,490,058	32,214,335	33,243,652	37,705,461	39,481,840
Pupil Transportation	3,329,878	3,598,566	3,364,830	5,012,168	5,045,492
Community Service	0	0	0	0	0
Employee Benefits	17,726,122	15,288,331	14,342,961	15,689,183	17,389,181
Debt Service	3,522,465	3,478,729	3,480,017	2,658,078	2,719,922
<b>Total Expenditures</b>	<b>61,234,838</b>	<b>62,086,227</b>	<b>62,286,692</b>	<b>69,783,248</b>	<b>73,109,424</b>
Excess (Deficiency) of Revenues Over Expenditures	95,704	595,369	2,877,058	(3,443,424)	(3,246,020)
Other Financing Sources (Uses):					
Operating Transfers In	100,416	0	0	613,373	0
Operating Transfers Out	(343,237)	(79,994)	(855,946)	(92,720)	(136,262)
<b>Total Other Financing Sources</b>	<b>(242,821)</b>	<b>(79,994)</b>	<b>(855,946)</b>	<b>520,653</b>	<b>(136,262)</b>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(147,117)	515,375	2,021,112	(2,922,771)	(3,382,282)
Fund Balances (Deficits) - Beginning of Year	2,009,442	2,324,893	2,840,268	4,861,380	1,566,336
Adjustments (Net)	(299,975)	0	0	(372,273)	-
<b>Fund Balances - End of Year</b>	<b>\$1,562,350</b>	<b>\$2,840,268</b>	<b>\$4,861,380</b>	<b>\$1,566,336</b>	<b>(\$1,815,946)</b>

Source: Annual audited financial statements of the Wyandanch Union Free School District.  
 Summary itself not audited.

**APPENDIX C**

**CASH FLOW STATEMENTS**

## 2019-2020 Cash Flow

2019-2020 Monthly Cash Flow  
Actual  
(000's omitted)

	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Total
Balance (beg. of month)	476	14,063	11,384	14,295	12,179	7,173	3,063	8,438	5,361	21,877	18,511	21,053	476
<b>Receipts:</b>													
Property Taxes	0	142	0	0	0	58	10,739	358	141	155	2,183	6,579	20,355
STAR Payments	0	0	0	0	0	0	0	0	1,506	0	0	0	1,506
State Aid	51	57	5,914	1,598	446	710	349	4,592	18,926	2,300	5,255	4,000	44,198
Other Receipts	15	3	27	21	27	30	36	47	0	22	32	234	494
TAN Proceeds	17,142	0	0	0	0	0	0	0	0	0	0	0	17,142
<b>Total Receipts</b>	<b>17,208</b>	<b>202</b>	<b>5,941</b>	<b>1,619</b>	<b>473</b>	<b>798</b>	<b>11,124</b>	<b>4,997</b>	<b>20,573</b>	<b>2,477</b>	<b>7,470</b>	<b>10,813</b>	<b>83,695</b>
<b>Balance and Receipts</b>	<b>17,684</b>	<b>14,265</b>	<b>17,325</b>	<b>15,914</b>	<b>12,652</b>	<b>7,971</b>	<b>14,187</b>	<b>13,435</b>	<b>25,934</b>	<b>24,354</b>	<b>25,981</b>	<b>31,866</b>	<b>84,171</b>
<b>Disbursements:</b>													
Salaries & Benefits	2,105	1,514	2,584	3,378	4,380	3,191	3,676	2,963	2,639	4,173	4,232	5,800	40,635
Operating Expenses	64	837	446	357	1,099	467	2,073	5,054	1,418	1,670	696	6,026	20,207
Debt Service	452	530	0	0	0	1,250	0	57	0	0	0	171	2,460
Transfers	1,000	0	0	0	0	0	0	0	0	0	0	0	1,000
TAN Set Aside	0	0	0	0	0	0	0	0	0	0	0	17,000	17,000
TAN Interest	0	0	0	0	0	0	0	0	0	0	0	425	425
<b>Total Disbursements</b>	<b>3,621</b>	<b>2,881</b>	<b>3,030</b>	<b>3,735</b>	<b>5,479</b>	<b>4,908</b>	<b>5,749</b>	<b>8,074</b>	<b>4,057</b>	<b>5,843</b>	<b>4,928</b>	<b>29,422</b>	<b>81,727</b>
<b>Balance (end of month)</b>	<b>14,063</b>	<b>11,384</b>	<b>14,295</b>	<b>12,179</b>	<b>7,173</b>	<b>3,063</b>	<b>8,438</b>	<b>5,361</b>	<b>21,877</b>	<b>18,511</b>	<b>21,053</b>	<b>2,444</b>	<b>2,444</b>
<b>TAN Set Aside (Payment)</b>													
Balance	0	0	0	0	0	0	0	0	0	0	0	0	0
Receipts	0	0	0	0	0	0	0	0	0	0	0	17,000	17,000
Disbursements	0	0	0	0	0	0	0	0	0	0	0	17,000	17,000
Balance	0	0	0	0	0	0	0	0	0	0	0	0	0

Source: Wyandanch Union Free School District.



## 2020-2021 Cash Flow

2020-2021 Monthly Cash Flow  
 Projected  
 (000's omitted)

	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Total
Balance (beg. of month)	2,444	16,496	11,920	12,585	8,544	5,510	39	4,181	2,625	19,141	15,490	18,563	2,444
<b>Receipts:</b>													
Property Taxes	0	0	0	0	0	58	11,000	1,000	1,500	213	2,200	6,643	22,614
STAR Payments	0	0	0	0	0	0	0	0	1,496	0	0	0	1,496
State Aid	50	55	5,600	1,400	1,450	1,370	449	4,500	19,000	2,500	6,250	4,000	46,624
Other Receipts	14	5	30	22	26	30	38	65	177	129	120	334	990
Deficit Financing	3,100	0	0	0		0	0	0	0	0	0	0	3,100
TAN Proceeds	15,000	0	0	0	0	0	0	0	0	0	0	0	15,000
<b>Total Receipts</b>	<b>18,164</b>	<b>60</b>	<b>5,630</b>	<b>1,422</b>	<b>1,476</b>	<b>1,458</b>	<b>11,487</b>	<b>5,565</b>	<b>22,173</b>	<b>2,842</b>	<b>8,570</b>	<b>10,977</b>	<b>89,824</b>
Balance and Receipts	20,608	16,556	17,550	14,007	10,020	6,968	11,526	9,746	24,798	21,983	24,060	29,540	92,268
<b>Disbursements:</b>													
Salaries & Benefits	2,037	1,725	2,934	3,728	3,411	3,941	3,776	4,063	4,239	5,018	4,237	5,800	44,909
Operating Expenses	622	2,381	2,031	1,735	1,099	1,717	3,569	3,054	1,418	1,475	1,260	4,026	24,387
Debt Service	453	530	0	0	0	1,271	0	4	0	0	0	171	2,429
Transfers	1,000	0	0	0	0	0	0	0	0	0	0	0	1,000
TAN Set Aside	0	0	0	0	0	0	0	0	0	0	0	15,000	15,000
TAN Interest Repay	0	0	0	0	0	0	0	0	0	0	0	375	375
Deficit Interest Repay	0	0	0	0	0	0	0	0	0	0	0	325	325
<b>Total Disbursements</b>	<b>4,112</b>	<b>4,636</b>	<b>4,965</b>	<b>5,463</b>	<b>4,510</b>	<b>6,929</b>	<b>7,345</b>	<b>7,121</b>	<b>5,657</b>	<b>6,493</b>	<b>5,497</b>	<b>25,697</b>	<b>88,425</b>
Balance (end of month)	16,496	11,920	12,585	8,544	5,510	39	4,181	2,625	19,141	15,490	18,563	3,843	3,843
<b>TAN Set Aside (Payment)</b>													
Balance	0	0	0	0	0	0	0	0	0	0	0	0	0
Receipts	0	0	0	0	0	0	0	0	0	0	0	15,000	15,000
Disbursements	0	0	0	0	0	0	0	0	0	0	0	15,000	15,000
Balance	0	0	0	0	0	0	0	0	0	0	0	0	0

Source: Wyandanch Union Free School District.

**APPENDIX D**

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

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

**<https://emma.msrb.org/ER1409383.pdf>**

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

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

**APPENDIX E**

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

July 30, 2020

Wyandanch Union Free School District,  
County of Suffolk,  
State of New York

Re: Wyandanch Union Free School District, Suffolk County, New York  
\$3,027,434 Deficit Bonds – 2020

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$3,027,434 Deficit Bonds – 2020 (the “Obligations”), of the Wyandanch Union Free School District, County of Suffolk, State of New York (the “Obligor”), dated July 30, 2020, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds, in such amounts as hereinafter set forth, bearing interest at the rate of \_\_\_\_\_ hundredths per centum (\_\_\_\_\_% ) per annum as to bonds maturing in each of the years 2021 to \_\_\_\_\_, both inclusive, and at the rate of \_\_\_\_\_ hundredths per centum (\_\_\_\_\_% ) per annum as to bonds maturing in each of the years \_\_\_\_\_ to \_\_\_\_\_, both inclusive, payable on July 15, 2021 and semi-annually thereafter on January 15 and July 15, and maturing in the amount of \$ \_\_\_\_\_ on July 15, 2021, \$ \_\_\_\_\_ on July 15, 2022, \$ \_\_\_\_\_ on July 15, 2023, \$ \_\_\_\_\_ on July 15, 2024, \$ \_\_\_\_\_ on July 15, 2025, \$ \_\_\_\_\_ on July 15, 2026, \$ \_\_\_\_\_ on July 15, 2027, \$ \_\_\_\_\_ on July 15, 2028, \$ \_\_\_\_\_ on July 15, 2029, , and \$ \_\_\_\_\_ on July 15, 2030.

The Obligations are not subject to redemption prior to maturity.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the “Code”);
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the “Arbitrage Certificate”); and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligations, including the form of the Obligations. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the

Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligations are excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of revenues or moneys of the Obligor legally available will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, has made any untrue statement of a material fact or omitted to state a material fact

necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ORRICK, HERRINGTON & SUTCLIFFE LLP

**APPENDIX F**

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

July 30, 2020

Wyandanch Union Free School District,  
County of Suffolk,  
State of New York

Re: Wyandanch Union Free School District, Suffolk County, New York  
\$15,000,000 Tax Anticipation Notes For 2020-2021 Taxes

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of \$15,000,000 Tax Anticipation Notes For 2020-2021 Taxes (the "Obligations"), of the Wyandanch Union Free School District, County of Suffolk, State of New York (the "Obligor"), dated July 30, 2020, and maturing June 25, 2021, numbered \_\_, of the denomination of \$ \_\_\_\_\_, bearing interest at the rate of \_\_\_\_\_% (per annum).

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligations, including the form of the Obligations. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but



not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ORRICK, HERRINGTON & SUTCLIFFE LLP