PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 20, 2020

NEW ISSUE **See "RATING" herein.**
TAX ANTICIPATION NOTES

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

The Notes WILL be designated by the District as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

BETHPAGE UNION FREE SCHOOL DISTRICT
NASSAU COUNTY, NEW YORK

$7,500,000*
TAX ANTICIPATION NOTES FOR 2020-2021 TAXES
(the "Notes")

Date of Issue: November 5, 2020 **Maturity Date: June 24, 2021**

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

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

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

If the Notes are issued registered in the name of the successful bidder, a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(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. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of $5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "*Book-Entry-Only System*" herein).

Capital Markets Advisors, LLC has served a Municipal Advisor to the District in connection with the issuance of the Notes.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the offices of DTC on the Date of Issue stated above.

THIS OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE DISTRICT FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"). FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE NOTES AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKING" HEREIN.

Dated: October __, 2020

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* Preliminary, subject to change.

BETHPAGE UNION FREE SCHOOL DISTRICT
NASSAU COUNTY, NEW YORK

BOND COUNSEL

HAWKINS DELAFIELD & WOOD LLP
New York, New York

FINANCIAL ADVISOR

CAPITAL MARKETS ADVISORS, LLC
Great Neck, New York
(516) 487-9818

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

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APPENDIX A

OFFICIAL STATEMENT

BETHPAGE UNION FREE SCHOOL DISTRICT
NASSAU COUNTY, NEW YORK

Relating To

$7,500,000*
TAX ANTICIPATION NOTES FOR 2020-2021 TAXES

This Official Statement, including the cover page and appendices hereto, presents certain information relating to the Bethpage Union Free School District in the County of Nassau, State of New York (the "District," "County" and "State," respectively) in connection with the sale of $7,500,000* 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 and 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.

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the District’s overall economic situation and outlook (and all of the specific District related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify.

THE NOTES

Description

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

The District will act as Paying Agent for the Notes. Paying agent fees, if any, for non-book-entry notes will be paid by the purchaser(s). The District’s contact information is as follows: Mr. Scott Harrington, Assistant Superintendent for Business and Operations, phone: (516) 644-4030, email: sharrington@bethpage.ws.

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 Education of the District to finance cash flow requirements in anticipation of the collection of 2020-2021 real property taxes levied for school 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, as specified in the 2020-2021 annual budget of the District, 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.

* Preliminary, subject to change.

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.

Nature of Obligation

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

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

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

REMEDIES UPON DEFAULT

Neither the Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Notes should the District default in the payment of principal of or interest on the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Notes upon the occurrence of any such default. The Notes are general obligation contracts between the District and the owners for which the faith and credit of the District are pledged and while remedies for enforcement of payment are not expressly included in the District's contract with such owners, any permanent repeal by statute or constitutional amendment of a bondholder's and/or noteholder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

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

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank* v. *Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of Noteholders, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank* v. *Municipal Assistance Corporation for the City of New York*, 40 N.Y.1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

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

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

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

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

No Past Due Debt

No principal or interest payment on District indebtedness is past due. The District has never defaulted in the payment of the principal of and/or interest on any indebtedness.

Bankruptcy

The Federal Bankruptcy Code (Chapter IX) allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Title 6-A of the Local Finance Law specifically authorizes any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not become applicable in the future. As such, the undertakings of the District should be considered with reference, specifically, to Chapter IX, and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Bankruptcy proceedings by the District if authorized by the State in the future could have adverse effects on bondholders and/or noteholders including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the District after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Notes.

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

SECTION 99-B OF THE STATE FINANCE LAW

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

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

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

DESCRIPTION OF BOOK-ENTRY SYSTEM

In the event the Notes are issued in book-entry form, the Depository Trust Company ("DTC"), Jersey City, New Jersey, will act as securities depository for the Notes. The Notes will be issued as fully-registered notes registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each Note which bears the same rate of interest and CUSIP number, in the aggregate principal amount of such issue, and will be deposited with DTC.

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

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

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede

& Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

RISK FACTORS

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

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

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

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

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

Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

CYBERSECURITY

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

LITIGATION

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

TAX MATTERS

Opinion of Bond Counsel

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

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

Bond Counsel expresses no opinion as to any federal, state or local tax consequences arising with respect to the Notes, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement this opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Notes.

Certain Ongoing Federal Tax Requirements and Certifications

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

Certain Collateral Federal Tax Consequences

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

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

Original Issue Discount

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

In general, under Section 1288 of the Code, OID on a Discount Note accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Note. An owner's adjusted basis in a Discount Note is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Note. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Note even though there will not be a corresponding cash payment.

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

Note Premium

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

Information Reporting and Backup Withholding

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

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

Miscellaneous

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

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

LEGAL MATTERS

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

DISCLOSURE UNDERTAKING

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12") with respect to the Notes, the District will execute an Undertaking to Provide Notices of Events, the form of which is attached hereto as Appendix D to this Preliminary Official Statement.

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC, Great Neck and New York, 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 municipal advisor to the District in connection with this transaction.

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

RATING

The District did not apply to Moody's Investors Service ("Moody's) for a rating on the Notes.

On July 19, 2019, Moody's Investors Service ("Moody's) affirmed the District's credit rating of "Aa2".

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

ADDITIONAL INFORMATION

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

Additional information may be obtained from the District's Assistant Superintendent for Business and Operations, Mr. Scott Harrington, (516) 644-4030, or from the District's Municipal Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York, 11021, (516) 487-9818.

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

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

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

BETHPAGE UNION FREE SCHOOL DISTRICT

By: ______________________________
Michael Kelly
President of the Board of Education

DATED: October __, 2020

APPENDIX A

THE DISTRICT

THE DISTRICT

General Information

The District is located on Long Island in the eastern portion of the Town of Oyster Bay (the "Town"), approximately 20 miles east of New York City. The District covers an area of approximately 5 square miles and has a population of approximately 18,732. Surrounding areas include Plainview, Old Bethpage, Farmingdale, Plainedge, Island Trees, Hicksville and Levittown.

The District is primarily residential in character, with several commercial enterprises. Most residential development consists of single-family homes. Commercial activity is located on Stewart Avenue, Grumman Road West, Broadway, Route 107, South Oyster Bay Road and Old Country Road. District residents are afforded employment opportunities at business and governmental operations in New York City, other parts of Long Island, Westchester County and New Jersey. Recreational facilities include Town parks and nearby Jones Beach State Park as well as other municipal parks, golf courses and recreational facilities located throughout the County. Also located within the District is Bethpage State Park, which offers varied recreational activities, including five eighteen-hole golf courses and numerous tennis court facilities. Approximately 5% of the geographic area of the community consists of Bethpage State Park.

Rail transportation is provided by the Long Island Railroad. The extensive highway network serving the District includes Old Country Road, Stewart Avenue and the Seaford-Oyster Bay Expressway, which provide access to the Northern State Parkway, the Long Island Expressway and the Southern State Parkway. In addition, public bus transportation is available from the Metropolitan Suburban Bus Authority.

Police protection is provided by the County and fire protection is provided by the Bethpage Fire Department. Utilities include telephone service by Cablevision Light Path IP Telephony and water services by Bethpage Water District. Gas and electricity are supplied throughout the District by PSEG Long Island.

Over the past several years, the District has authorized extensive environmental testing for a wide range of volatile organic compounds inside and outside of its schools due to its proximity to the Grumman-Navy plume. Last year, the District expanded those tests as a result of the detection of radium in wells operated by the Bethpage Water District. Over the summer, the District's Board of Education proactively authorized the installation of new groundwater wells and a vapor barrier in the basement of Central Blvd. Elementary School, which was completed in late August 2020.

The former Northrop Grumman Corporation site located in the District has seen dramatic economic development. Cablevision Systems Corporation of Long Island, with over 4,000 employees on Long Island, now occupies the former Northrop Grumman Corporation headquarters building. On February 9, 2011, the Nassau County Industrial Development Agency ("Nassau County IDA") leased 401 Grumman Road West and pursuant to the terms of the lease the District began receiving payments in lieu of taxes ("PILOT" payments) in the 2012-2013 fiscal year. During the 2014-2015 fiscal year, Steel Equities purchased the former Goya Foods property and has entered into a 21-year PILOT. Currently there is approximately 20 acres on the Northrop Grumman site that is under consideration for further development by the Nassau County IDA. Grumman Plant 5 is a 660,000 square foot plant has been converted into an incubator for technology associated with homeland security and defense as well as motion picture production.

LIPA has entered into a cogeneration plant that will result in a PILOT payment of over $1 million per year with a cost of living adjustment ("COLA") starting at year 5 of the 20-year PILOT. In 2014, Governor Cuomo signed into law that LIPA will make PILOTs to municipalities and school districts equal to the taxes and assessments they would be paying if they were any other entity and thereafter, these payments will not exceed 2% of the total of the previous year. In the 2015-2016 fiscal year, the Nassau County Assessor's office transferred LIPA property assessed value from the taxable rolls.

District Organization

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

The legislative power of the District is vested in the Board of Education (the "Board"). Under current law, an election is held within the District boundaries on the third Tuesday of May each year to elect members of the Board. Board members are generally elected for a term of three years.
In early July of each year, the Board meets for the purpose of reorganization. At that time, the Board elects a President and a Vice President, and appoints a District Clerk and District Treasurer and Claims Auditor.

Financial Organization

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

Financial Statements and Accounting Procedures

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

Budgetary Procedure

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

School Enrollment Trends

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

School Enrollment Trends

Fiscal Year Ended June 30:	Actual Enrollment	Fiscal Year Ended June 30:	Projected Enrollment
2017	2,923	2022	2,925
2018	2,956	2023	2,977
2019	2,991	2024	2,970
2020	2,949	2025	2,966
2021	2,935	2026	2,997

Source: Long Range Planning Study, Western Suffolk BOCES, Office of School Planning and Research.

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District Facilities

The District currently operates the following schools; statistics relating to each are shown below:

School Statistics

Name	Capacity	Grades	Year Built
Kramer Lane School	660	K-5	1957
Charles Campagne School	750	K-5	1961
Central Blvd. School	1,020	K-5	1955
JFK Jr. Middle School	1,606	6-8	1949
Bethpage High School	2,070	9-12	1959

Source: Bethpage Union Free School District, Office of the Assistant Superintendent for Business.

Employees

The District provides services through 683 employees who are represented by the following units of organized labor.

Employees

Number of Employees	Organization	Contract Expiration Date
15	Bethpage Administrative Organization	6/30/23
299	Bethpage Congress of Teachers	6/30/20[1]
48	Civil Services Employees Association (Services Unit)	6/30/19[1]
229	Non Union Personnel	
48	Civil Services Employees Association (Operations Unit)	6/30/22
44	Bethpage Congress of Teaching Assistants	6/30/22

(1) Contract under negotiations.

Source: District Treasurer.

Employee Pension Benefits

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

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

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

Under current law, the employer pension payments for a given fiscal year are based on the value of the pension fund on the prior April 1 thus enabling the District to more accurately include the cost of the employer pension payment in its budget for the ensuing year. In addition, the District is required to make a minimum contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would make a lower payment possible. The annual employer pension payment is due on February 1 of each year.

Due to poor performance of the investment portfolio of TRS and ERS during the recent financial crisis, the employer contribution rates for required pension payments to the TRS and ERS increased substantially. To help mitigate the impact of such increases, legislation was enacted that permitted school districts to amortize a portion of its annual employer pension payment to the ERS only. Under such legislation, school districts that choose to amortize were required to set aside and reserve funds with the ERS for certain future rate increases. The District has not amortized any of its employer pension payments pursuant to this legislation and expects to continue to pay all payments in full when due.

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

The TRS SCO deferral plan is available to school districts for up to 7 years. Under the TRS SCO plan, payment of the deferred amount will commence in year six of the program (2018-19) and continue for five years. School districts can elect to no longer participate in the plan at any time, resume paying the ARC and begin repayment of deferred amounts over five 21 years. Under the ERS SCO, payment of deferred amounts begins the year immediately following the deferral and the repayment period is 12 years. Once made, the election to participate in the ERS SCO is permanent. However, the school districts can choose not to defer payment in any given year. In both plans, interest on the deferred amounts is based on the yield of 10-year U.S. Treasury securities plus 1%.

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

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

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, 2020 was $79,806,860 using a discount rate of 2.21% and actuarial assumptions and other inputs as described in the District's June 30, 2020 draft 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.

Investment Policy and Permitted Investments

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

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

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

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

FINANCIAL FACTORS

Real Property Taxes

The District derives the major portion of its revenues from a tax on real property. On June 24, 2011, Chapter 97 of the Laws of 2011 was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the District. *(See "The Tax Levy Limit Law," herein)*. Property taxes accounted for 84.0% of total general fund revenues for the fiscal year ended June 30, 2020, while State aid accounted for 15.3%, *based on preliminary results, subject to change.*

The following table sets forth total General Fund revenues and real property tax revenues during the last five audited fiscal years, the most recent draft audited fiscal year and the amount budgeted for the current fiscal year.

Property Taxes

Fiscal Year Ended June 30:	Total Revenues(1)	Real Property Taxes	Real Property Taxes to Revenues
2015	$81,143,728	$68,154,795	84.0%
2016	81,972,621	68,480,948	83.5
2017	82,804,835	68,842,102	83.1
2018	82,828,594	68,334,571	82.5
2019	84,940,922	70,651,456	83.2
2020 (Draft)	86,320,780	72,505,574	84.0
2021 (Adopted Budget)	89,079,639	74,077,108	83.2

(1) General Fund only.

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

State Aid

The District receives appropriations from the State of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the School Districts can be paid only if the State has such monies available for such payment.

(The remainder of this page has been intentionally left blank.)

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

State Aid

Fiscal Year Ended June 30:	Total Revenues(1)	State Aid	State Aid to Revenues
2015	$81,143,728	$12,139,120	15.0%
2016	81,972,621	12,576,077	15.3
2017	82,804,835	13,110,959	15.8
2018	82,828,594	13,409,373	16.2
2019	84,940,922	13,015,099	15.3
2020 (Draft)	86,320,780	12,952,154	15.0
2021 (Adopted Budget)	89,079,639	13,096,664	14.7

(1) General Fund only.

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

The amount of State aid to school districts is dependent in part upon the financial condition of the State. Due to the outbreak of COVID-19 the State has declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. 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. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State, including the District.

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

On August 13, 2020, the New York State Division of the Budget released the fiscal year ending 2021 First Quarterly State Budget Financial Plan Update, which projects a $14.5 billion General Fund revenue decline and a 15.3% decline in tax receipts from prior budget forecasts. The State further projects a total revenue loss of $62 billion through the State's fiscal year ending 2024 as a direct consequence of the COVID-19 pandemic. The State has announced that in the absence of Federal funding to offset this revenue loss, the State has begun to take steps to reduce spending, including but not limited to, temporarily holding back aid payments to local governments and school districts. According to the State, all or a portion of such temporary reductions in aid payments may be converted to permanent reductions, depending on the size and timing of any new Federal aid. Such reductions or delays in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State. (See also "*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 the current Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak.

The federal government may enact budgetary changes or take other actions that adversely affect State finances. State legislation adopted with the State's 2019-2020 Enacted Budget continued authorization for a process by which the State would manage significant reductions in federal aid during Federal fiscal year 2020 should they arise. 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 State 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.

Impacts of COVID-19

The District has incurred certain expenses associated with the COVID-19 pandemic, including but not limited to, costs related to PPE and supplies, polycarbonate barriers, classroom desks/chairs, tents, health screening software, mobile SMARTboards & laptops, electrostatic sprayers, health & safety signage/floor stickers, wall mounted hand sanitizer units, mobile hand sanitizer stands, IT hardware/access points and temperature scanners, among others. The District has paid such costs from budgetary appropriations and/or available funds. The District has been advised that State Aid could be reduced by as much as 20% during the 2020-2021 fiscal year. However, the District does not believe that the increased costs or the potential reduction in State aid will have a material adverse impact on the finances of the District. (See "*State Aid*" herein).

Events Affecting New York School Districts

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

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

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

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

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

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

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

The District cannot predict at this time whether there will be any reductions in and/or delays in the receipt of State aid during the remainder of the current fiscal year or in future fiscal years. However, the District believes that it would mitigate the impact of any delays or the reduction in State aid by reducing expenditures, increasing revenues, appropriating other available funds on hand, and/or by any combination of the foregoing. (See also "*Risk Factors*" herein).

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 included the elimination of the remaining balance of the GEA.

The Smart Schools Bond Act (the "SSBA") was passed as part of the Enacted 2014-2015 State Budget. The Smart Schools Bond Act authorizes the issuance of $2 billion of general obligation bonds to financed improved educational technology and infrastructure to improve learning and opportunity for students throughout the State. The SSBA requires that a Review Board review and approve districts' Smart Schools Investment Plan before any funds may be made available for the program.

General Fund Operations

Appendix B sets forth the General Fund operations for the last five fiscal years which are derived from the District's Audited Financial Statements.

Other Revenues

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

Cash Flow Projections

The cash flow summaries of the District for the 2019-2020 and 2020-2021 fiscal years, including tax anticipation borrowings and repayment thereof, are set forth in Appendix B. Such cash flow statements, with respect to future receipts and payments, are estimates only and no representation whatsoever is made that any such estimates will be realized.

The State Comptroller's Fiscal Stress Monitoring System

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 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 A-9 FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The most current applicable report, for 2019, of the State Comptroller designates the District as "No Designation," with a fiscal score of 0.0% and an environmental score of 5.0%

The financial affairs of the District are subject to periodic compliance reviews by OSC to ascertain whether the District has complied with the requirements of various State and federal statutes. The last audit conducted by OSC was released on February 7, 2020. The purpose of the audit was to determine whether extra-classroom activity funds were properly collected, deposited and disbursed for the period July 1, 2017 through March 31, 2019. The complete report can be obtained from OSC's website.

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

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TAX INFORMATION

Real Property Tax Assessments and Rates

The following table sets forth the assessed and full valuation of taxable real property, the District's real property tax levy, including taxes levied for library purposes, and rates of tax per $1,000 assessed valuation.

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

	2016	2017	2018	2019	2020
Assessed Value	$ 8,100,777	$ 7,509,198	$ 7,303,307	$ 7,233,275	$ 7,043,031
Equalization Rate	0.0027	0.0026	0.0024	0.0022	0.0022
Full Value	3,000,287,778	2,888,153,076	3,043,044,583	3,287,852,273	3,201,377,727
District Tax Levy	64,617,972	64,519,766	64,472,887	66,259,290	68,455,820
District Tax Rate(1)	$ 7,976.76	$ 8,592.10	$ 8,827.90	$ 9,160.34	$ 9,719.65

(1) Per $1000 Assessed Value.
(2) The District Tax Levy for the 2020-2021 fiscal year is $67,436,071.

Source: New York State Comptroller's Office; New York State Board of Real Property Services.

The Tax Levy Limit Law

Chapter 97 of the New York Laws of 2011, as amended (herein referred to as the "Tax Levy Limit Law" or "Law"), modified previous law by imposing a limit on the amount of real property taxes that a school district may levy.

Prior to the enactment of the Law, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year's budget or one hundred twenty percent (120%) of the consumer price index ("CPI").

Under the Tax Levy Limit Law, there is now a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the consumer price index, subject to certain exclusions as mentioned below and as described in the Law. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

The Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes 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 notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

Tax Limit

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

Tax Collection Procedure

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

On or before June 1, the Town Tax Receiver files a report of any uncollected school district taxes with the County. The County thereafter on or before June 15 pays to each school district the amount of its uncollected taxes. Thus, each school district should receive its full levy prior to the end of its fiscal year. In some recent years, the District has experienced delays in its receipt of uncollected school district taxes from the County.

Pursuant to an Executive Order of the Governor dated August 5, 2020, in Nassau County the deadline that first half 2020-2021 school district taxes shall be due and payable was changed from October 1, 2020 to November 1, 2020; and the deadline by which the first half 2020-2021 school district taxes may be paid without interest or penalties was changed from November 10, 2020 to December 10, 2020, with payments made after such date to be subject to interest and penalties beginning on December 11, 2020. No assurance can be given that further extensions with respect to the deadlines to pay school district property taxes, without interest or penalty, may occur during future fiscal years. Any such extensions may result in a delay in the receipt of taxes collected and paid to school districts.

As a result of the COVID-19 outbreak, the Governor issued an Executive Order that extended the deadline to pay the second installment of school district property taxes until June 1, 2020, without interest or penalty. The Governor has issued a second Executive Order that extends the deadline to pay the first installment of school district property taxes until December 1, 2020, without interest or penalty. Such extension may result in a delay in the receipt of taxes collected and paid to school districts by the town tax receiver and by the County in accordance with the procedures set forth above. However, the District does not believe that the delay will have a material adverse impact on the finances of the District.

Under existing law, the County assumes liability for all tax certiorari refund payments, including any portion of the refund attributable to the reduction in the amount of taxes raised to support school district operations. The County does not currently seek reimbursement from the affected school district following the payment of a refund to a taxpayer. However, the County has enacted a law to end its long-standing practice of paying tax certiorari settlements on behalf of local taxing districts, including school districts. Such law is currently the subject of litigation. The trial court ruled in favor of the County, however the Appellate Division reversed the decision of the trial court. The County appealed the decision of the Appellate Division and the Court of Appeals agreed to hear the appeal in this case. The Court of Appeals ruled unanimously that the County did not have the authority to enact the law. As a result, municipalities and school districts, including the District, located in the County will not be required to pay tax certiorari refunds, such refunds will continue to be the responsibility of the County.

STAR - School Tax Exemption

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

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

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

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

Approximately 8.71% of the District's 2019-2020 school tax levy was exempted by the STAR program and the District received full reimbursement of such exempt taxes from the State. Approximately 8.16% of the District's 2020-2021 school tax levy is expected to be exempted by the STAR program and the District expects to receive full reimbursement of such exempt taxes from the State in January, 2021. (See "*State Aid*" herein).

Largest Taxpayers of the District

The following table presents the taxable assessments of ten of the District's largest taxpayers for the 2020 fiscal year.

Taxable Assessments

Taxpayer	Nature of Business	Assessed Valuation	% of Total Assessed Value[1]
Northrop Grumman Corp[2]	Defense Contractor	$ 393,755	5.59%
Associated Brook	Real Estate	296,496	4.21
Steel LLC	Real Estate	240,432	3.41
1055 Stewart Avenue	Real Estate	144,307	2.05
Stewart CW NF	Real Estate	101,203	1.44
Market Associates	Real Estate	96,263	1.27
Quality Plaza Realty	Real Estate	86,787	1.23
Bethpage Properties	Real Estate	57,748	0.82
BRE/ESA Properties	Real Estate	57,748	0.82
SOBR Development	Real Estate	49,256	0.70
	Totals:	$1,523,795	21.64%

(1) The District's total assessed valuation for the 2019-20 fiscal year is $7,043,031.
(2) See also "General Information" regarding PILOTs.

Source: Nassau County Assessor's Office

DISTRICT INDEBTEDNESS

Constitutional and Statutory Requirements

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

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

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

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

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

Statutory Procedure

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

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

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

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

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

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

Statutory Debt Limit and Net Indebtedness

The debt limit of the District is $320,137,772 as of October 20, 2020. This is calculated by taking 10% of the current full value of the taxable real property of the District.

Statutory Debt Limit and Net Indebtedness

Full Valuation of Taxable Real Property	$3,201,377,727
Debt Limit (10% of Full Valuation)	320,137,772
Outstanding Indebtedness [1] (Principal Only):	
Bonds	6,560,000
Bond Anticipation Notes	0
Gross Indebtedness	6,560,000
Less:	
Exclusions for estimated State building aid [2]	0
Total Net Indebtedness	6,560,000
Net Debt-Contracting Margin	313,577,772
Percentage of Debt-Contracting Margin Exhausted	2.05%

(1.) Tax anticipation notes and revenue anticipation notes are not included in the computation of the gross indebtedness of the District.

(2.) The District has received and expects to continue to receive State Aid on a portion of existing indebtedness contracted for school building purposes pursuant to Section 121.20 of the Local Finance Law. However, since the District has not applied for a building aid exclusion certificate from the Commissioner of Education, the District may not exclude such portion from the gross indebtedness. State aid for qualifying building purposes is currently estimated by District officials at 39.30%, with projects approved by District voters between July 1, 1998 and June 30, 2000 receiving an additional 10% State building aid.

Source: Bethpage Union Free School District, Office of the Assistant Superintendent for Business.

Bond Anticipation Notes

The District currently has no outstanding bond anticipation notes.

Revenue Anticipation Notes

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

Tax Anticipation Notes

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

Trend of Capital Indebtedness

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

Direct Capital Indebtedness Outstanding

	2016	2017	2018	2019	2020[1]
Bonds:	$15,225,000	$13,390,000	$11,490,000	$9,530,000	$7,330,000
Bond Anticipation Notes:	0	0	0	0	0
Totals	$15,225,000	$13,390,000	$11,490,000	$9,530,000	$7,330,000

(1) Draft.

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

Overlapping and Underlying Debt

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

Statement of Direct and Overlapping Indebtedness

Issuer	Net Debt Outstanding	As of	District Share	Amount Applicable To District
Nassau County	$3,030,135,000	06/30/20	1.6%	$ 48,482,160
Oyster Bay Town	529,803,969	08/11/20	6.6	34,967,062
Bethpage Fire District	0	12/31/19	100.0	0
Total Net Overlapping Debt				83,449,222
Total Net Direct Debt				6,560,000
Net Direct and Overlapping Debt				$ 90,009,222

Source: Data provided by County and Town officials.

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Debt Ratios

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

Debt Ratios

	Amount	Debt Per Capita[1]	Debt to Full Value[2]
Net Direct Debt	$ 6,560,000	$ 350	0.20%
Net Direct and Overlapping Debt	90,009,222	4,805	2.81

(1) The population of the District is estimated by District officials to be approximately 18,732.
(2) The District's audited full value of taxable real property for fiscal year 2019-2020 is $3,201,377,727.

Authorized and Unissued Indebtedness

The District has no authorized but unissued debt. The District is planning to authorize a capital borrowing of approximately $15 million for various improvements in the second half of the 2020-2021 fiscal year.

Debt Service Schedule

The following table shows the debt service requirements to maturity on the District's outstanding bonded indebtedness, exclusive of economically defeased obligations.

Bond Principal and Interest Maturity Table

Fiscal Year Ending June 30:	Principal	Interest	Total Debt Service
2021[1]	$2,005,000	$207,625	$ 2,212,625
2022	2,090,000	128,575	2,218,575
2023	910,000	77,350	987,350
2024	935,000	55,525	990,525
2025	965,000	32,850	997,850
2026	135,000	17,875	152,875
2027	140,000	11,000	151,000
2028	150,000	3,750	153,750
Totals	$7,330,000	$534,550	$7,864,550

(1) For the entire fiscal year.

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

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Energy Performance Contract

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

Bond Principal and Interest Maturity Table

Fiscal Year Ending June 30:	Principal	Interest	Total Debt Service
2021[1]	$ 135,398	$ 84,640	$ 220,038
2022	166,946	53,092	220,038
2023	170,462	49,576	220,038
2024	174,052	45,986	220,038
2025	177,717	42,321	220,038
2026 – 2030	946,329	153,863	1,100,192
2031 - 2035	940,244	49,930	990,174
Totals	$2,711,148	$479,408	$3,190,556

(1) For the entire fiscal year.

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

ECONOMIC AND DEMOGRAPHIC DATA

Largest Employers

Largest Employers

Employers	Nature of Business	Estimated Number of Employees
Cablevision Systems Corp.	Cable T.V.	More than 1,000
Northrop-Grumman Corp.	Defense Contracting	More than 1,000
Robert Plan Insurance	Insurance Services	More than 1,000
Bethpage Federal Credit Union	Credit Union	250 to 499
Bethpage UFSD	Educational	250 to 499
MarketSpan	Utilities	100 to 249
Verizon	Telephone	100 to 249
Briarcliffe College	Educational	100 to 249
King Kullen	Supermarket	500 to 999
Sleepy's	Bedding	500 to 999

Source: Bethpage Union Free School District, Office of the Assistant Superintendent for Business.

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Population

The following table presents population trends for the District, the Town of Oyster Bay (the "Town"), County and State, based upon recent census data.

	2010	2018	Percentage Change 2010/2018
Town	293,608	298,388	1.63%
County	1,339,532	1,358,343	1.40
State	19,379,102	19,542,209	0.84

Source: US Census Bureau.

Income

The following table presents median family income for the Town, County and State.

	2010	2018	Percentage Change 2010/2018
Town	$104,453	$120,826	15.7%
County	91,104	105,744	16.1
State	54,148	62,765	15.9

Source: US Census Bureau.

Employment and Unemployment

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

Civilian Labor Force

	2015	2016	2017	2018	2019
Town	153,900	154,500	155,800	156,100	156,500
County	697,600	699,800	706,400	706,600	708,100
State	9,558,800	9,551,900	9,549,100	9,521,900	9,514,400

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

Yearly Average Unemployment Rates

Year	Town	County	State
2015	3.9%	4.2%	5.3%
2016	3.7	3.9	4.9
2017	3.8	4.1	4.7
2018	3.3	3.5	4.1
2019	3.2	3.4	4.0

Source: New York State Department of Labor statistics. Information not seasonally adjusted.

Monthly Unemployment Rates

Month	Town	County	State
October 2019	3.2%	3.4%	3.7%
November	3.2	3.4	3.6
December	3.2	3.4	3.7
January 2020	3.3	3.6	4.1
February	3.2	3.5	3.9
March	3.3	3.6	4.2
April	15.6	15.6	15.1
May	11.7	12.1	14.2
June	12.2	12.9	15.5
July	13.1	14.0	16.0
August	9.8	10.6	12.5
September	5.9	6.6	9.4

Source: New York State Department of Labor statistics. Information not seasonally adjusted.

END OF APPENDIX A

APPENDIX B

FINANCIAL STATEMENT SUMMARIES

AND

CASH FLOW STATEMENTS

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

	2020	2021
Revenues		
Real Property Taxes	$ 65,909,470	$ 67,436,071
PILOT Payments	6,427,144	6,641,037
Miscellaneous Income	689,866	682,498
State Sources	13,130,767	13,096,664
Fund Balance/Use of Reserves	1,186,310	1,223,369
Total Revenues	$ 87,343,557	$ 89,079,639
Expenditures		
General Support	$ 9,675,708	$ 9,641,231
Instruction	51,810,980	52,685,677
Pupil Transportation	3,680,004	4,196,398
Community Services	11,800	11,800
Employee Benefits	19,417,524	19,536,951
Interfund Transfers	430,045	499,500
Debt Service	2,317,496	2,508,082
Total Expenditures	$ 87,343,557	$ 89,079,639

Source: Adopted Budgets of the District.

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

	2018	2019	2020[1]
Assets			
Cash	$ 17,222,056	$ 20,515,760	$ 21,318,912
State and Federal Aid Receivable	1,257,771	1,324,178	1,893,151
Accounts Receivable	7,044	10,234	12,451
Taxes Receivable	1,015,237	917,903	1,598,916
Due from Other Governments	2,775,083	226,080	1,048,949
Due from Other Funds	1,586,560	1,566,620	851,130
Total Assets	$ 23,863,751	$ 24,560,775	$ 26,723,509
Liabilities			
Accounts Payable	$ 909,644	$ 651,204	$ 1,169,837
Accrued Liabilities	231,585	264,250	587,463
Due to Other Funds	24,998	11,093	5,295
Due to Other Governments	129,725	182,220	36,336
Due to Retirement Systems	4,371,372	4,711,713	4,136,492
Compensated Absences Payable	199,434	74,380	98,140
Deferred Revenue	2,601,454	1,805,197	2,001,565
Total Liabilities	$ 8,468,212	$ 7,700,057	$ 8,035,128
Fund Balance			
Restricted	$ 11,004,064	$ 12,567,805	$ 12,780,501
Assigned	982,281	799,174	1,330,034
Unassigned	3,409,194	3,493,739	4,577,846
Total Fund Balance	$ 15,395,539	$ 16,860,718	$ 18,688,381
Total Liabilities and Fund Balance	$ 23,863,751	$ 24,560,775	$ 26,723,509

(1) Draft Financial Statements.

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

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

	2015	2016	2017	2018	2019	2020(1)
Revenues						
Real Property Taxes	$ 56,690,698	$ 55,174,139	$ 55,320,942	$ 55,397,683	$ 57,224,139	$ 60,155,079
Other Tax Items	11,464,097	13,306,809	13,521,160	12,936,888	13,427,317	12,350,495
Charges for Services	422,095	452,273	323,509	518,665	439,497	302,406
Use of Money and Property	87,252	71,547	112,530	205,071	262,145	202,190
Sale of Property and Compensation for Loss	15,002	48,039	67,343	31,223	50,906	19,975
Miscellaneous	234,267	284,827	286,402	270,070	395,864	288,322
State Sources	12,139,120	12,576,077	13,110,959	13,409,373	13,015,099	12,952,154
Medicaid Reimbursement	91,197	58,910	61,990	59,621	125,955	50,159
Federal Sources	-	-	-	-	-	-
Total Revenues	$ 81,143,728	$ 81,972,621	$ 82,804,835	$ 82,828,594	$ 84,940,922	$ 86,320,780
Other Sources:						
Interfund Transfers	25,429	24,998	46,558	45,956	49,996	24,998
Total Revenues and Other Sources	$ 81,169,157	$ 81,997,619	$ 82,851,393	$ 82,874,550	$ 84,990,918	$ 86,345,778
Expenditures						
General Support	$ 8,231,554	$ 8,592,969	$ 9,098,683	$ 9,127,812	$ 9,318,426	$ 9,291,189
Instruction	45,706,697	46,463,416	47,383,724	49,940,219	49,559,846	51,388,871
Pupil Transportation	3,331,005	3,440,664	3,168,764	3,305,332	3,613,724	3,049,776
Community Services	11,752	11,612	9,975	9,389	12,188	29,480
Employee Benefits	18,450,737	17,319,814	17,751,927	18,417,109	18,396,618	18,049,635
Debt Service	5,849,770	2,239,278	2,241,106	2,246,428	2,244,444	2,213,458
Total Expenditures	$ 81,581,515	$ 78,067,753	$ 79,654,179	$ 83,046,289	$ 83,145,246	$ 84,022,409
Other Uses:						
Interfund Transfers	321,872	3,274,064	373,965	3,648,842	380,493	495,706
Total Expenditures and Other Uses	$ 81,903,387	$ 81,341,817	$ 80,028,144	$ 86,695,131	$ 83,525,739	$ 84,518,115
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(734,230)	655,802	2,823,249	(3,820,581)	1,465,179	1,827,663
Fund Equity (Deficits) – Beginning of Year	16,471,299	15,737,069	16,392,871	19,216,120	15,395,539	16,860,718
Other Changes in Equity	-	-	-	-	-	-
Fund Equity – End of Year	$ 15,737,069	$ 16,392,871	$ 19,216,120	$ 15,395,539	$ 16,860,718	$ 18,688,381

(1) Draft Financial Statements.

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

Bethpage Union Free School District, New York
Actual Cash Flow
Fiscal Year July 1, 2019 - June 30, 2020

MONTH	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
BALANCE (Beginning) [1]	17,869,326	13,950,399	11,481,052	10,175,000	3,606,238	20,332,896	18,777,288	19,521,734	13,218,088	11,210,316	9,119,790	19,379,135	17,869,326
RECEIPTS													
Property Taxes [2]	-	-	917,903	1,500,000	24,000,000	4,000,000	-	-	-	7,000,000	14,750,000	9,905,352	62,073,255
STAR Aid							5,739,105						5,739,105
In Lieu of Taxes		58,912		918,437	115,132	1,430,395	1,365,804	56,624	9,067		957,220	1,132,835	6,044,426
State Aid			2,152,809	288,941	679,167	723,831	433,938	66,793	3,251,601	273,063		766,342	8,636,486
Transfers from Other Funds	10,028	5,173	4,739	4,374	3,941	2,615	2,212	2,154	2,100	1,771	951	25,687	65,744
Transfer from Reserves													-
Proceeds TANs													-
Interest Income	20,217	18,639	14,805	9,370	9,574	16,879	16,900	18,688	8,939	3,698	3,732	4,242	145,682
Other	59,304	848,044	308,642	235,903	117,075	214,690	47,945	381,904	456,802	17,330	47,649	69,912	2,805,201
TOTAL RECEIPTS	89,549	930,768	3,398,898	2,957,025	24,924,889	6,388,409	7,605,904	526,164	3,728,508	7,295,863	15,759,552	11,904,369	85,509,899
DISBURSEMENTS													
Operating Expenses	2,114,316	1,342,096	533,979	963,041	3,110,403	1,760,314	1,946,666	1,509,497	862,295	1,299,436	1,047,359	2,261,394	18,750,796
Salaries	1,105,343	970,815	3,379,901	6,514,555	5,005,978	4,278,039	4,208,353	4,337,869	4,202,898	6,641,920	4,231,199	9,106,292	53,983,164
Property Taxes Due Other Govts	637,662					1,273,105			636,935				2,547,702
Transfers to Other Funds	101,056	289,604	791,070	805,532	81,850	632,559	706,438	942,344	34,153	1,362,032	221,650	1,243,339	7,211,628
Transfer to Reserves													-
TAN Repay													-
TAN Repay - Interest													-
Debt Service - Principal		750,000		1,207,614									1,957,614
Debt Service - Interest	50,100	47,600		35,044				40,100		83,000			255,844
TOTAL DISBURSEMENTS	4,008,477	3,400,115	4,704,950	9,525,787	8,198,231	7,944,017	6,861,458	6,829,810	5,736,281	9,386,389	5,500,208	12,611,026	84,706,747
BALANCE (Ending)	13,950,399	11,481,052	10,175,000	3,606,238	20,332,896	18,777,288	19,521,734	13,218,088	11,210,316	9,119,790	19,379,135	18,672,478	18,672,478
NOTE PAYMENT ACCOUNT													
Balance (Beginning)	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Disbursements	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance (Ending)	-	-	-	-	-	-	-	-	-	-	-	-	-

(1) Balance as of June 30, 2019. Exclusive of Employee Benefit Accrued Liability reserves.

(2) Inclusive of Library Tax.

Bethpage Union Free School District, New York
Projected Cash Flow
Fiscal Year July 1, 2020 - June 30, 2021
(Actual through August 2020)

MONTH	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
BALANCE (Beginning) (1)	$ 18,672,478	$ 15,605,865	$ 12,547,410	$ 11,792,351	$ 1,280,074	$ 589,492	$ 20,667,262	$ 25,819,941	$ 19,422,706	$ 15,695,767	$ 15,285,544	$ 25,649,758	$ 18,672,478
RECEIPTS													
Property Taxes (2)(3)	$ -	$ -	$ 1,598,916	$ -	$ -	$ 24,500,000	$ 5,500,000	$ -	$ -	$ 7,200,000	$ 15,000,000	$ 10,000,000	$ 63,798,916
STAR Aid							5,500,000						5,500,000
In Lieu of Taxes	887,139	47,850		650,000	113,418	1,450,000	1,380,000	60,000	10,000	-	1,000,000	1,040,000	6,638,407
State Aid	561,247	225,002	2,007,569	60,000	-	750,000	450,000	70,000	3,300,000	275,000		775,000	8,473,818
Transfers from Other Funds	402				4,000	2,500	2,500	2,500	2,500	1,500	1,000	20,000	36,902
Proceeds TANs					7,500,000								7,500,000
Interest Income	3,323	1,162	1,325	1,300	1,000	1,000	14,000	14,000	9,000	9,000	9,000	14,000	78,110
Other	146,777	137,428	456,859	225,000	469,000	215,000	48,904	389,542	465,938	17,677	48,602	71,310	2,692,039
TOTAL RECEIPTS	$ 1,598,887	$ 411,442	$ 4,064,670	$ 936,300	$ 8,087,418	$ 26,918,500	$ 12,895,404	$ 536,042	$ 3,787,438	$ 7,503,177	$ 16,058,602	$ 11,920,310	$ 94,718,191
DISBURSEMENTS													
Operating Expenses	$ 2,300,012	$ 717,935	$ 716,247	$ 2,847,000	$ 2,420,000	$ 1,795,520	$ 1,985,600	$ 1,539,687	$ 879,541	$ 1,325,425	$ 1,068,306	$ 2,306,622	$ 19,901,894
Salaries	1,003,861	1,138,696	3,153,446	6,600,000	4,400,000	4,400,000	4,400,000	4,400,000	6,600,000	4,400,000	4,400,000	9,400,000	54,296,002
Property Taxes Due Other Govts	636,558			636,558			636,558			636,558			2,546,232
Transfers to Other Funds	725,071	803,167	950,036	1,255,000	640,000	645,210	720,567	961,191	34,836	1,389,273	226,083	1,268,206	9,618,639
TAN Repay												7,500,000	7,500,000
TAN Repay - Interest												95,000	95,000
Debt Service - Principal		770,000		53,221	1,235,000					82,177			2,140,398
Debt Service - Interest		40100		56798	83,000			32400		79967			292,265
TOTAL DISBURSEMENTS	$ 4,665,501	$ 3,469,897	$ 4,819,729	$ 11,448,577	$ 8,778,000	$ 6,840,730	$ 7,742,725	$ 6,933,278	$ 7,514,377	$ 7,913,400	$ 5,694,389	$ 20,569,828	$ 96,390,430
BALANCE (Ending)	$ 15,605,865	$ 12,547,410	$ 11,792,351	$ 1,280,074	$ 589,492	$ 20,667,262	$ 25,819,941	$ 19,422,706	$ 15,695,767	$ 15,285,544	$ 25,649,758	$ 17,000,240	$ 17,000,240
NOTE PAYMENT ACCOUNT (4)													
Balance (Beginning)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-
Receipts	-	-	-	-	-	-	-	-	-	-	-	7,500,000	7,500,000
Disbursements	-	-	-	-	-	-	-	-	-	-	-	7,500,000	7,500,000
Balance (Ending)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

(1) Balance as of June 30, 2020. Exclusive of Employee Benefit Accrued Liability reserves.

(2) Inclusive of Library Tax.

(3) Any extensions granted to pay school district property taxes, without interest or penalty, may impact the anticipated timing of the receipt of property taxes by the District. See "*Tax Collection Procedure*" for more information.

(4) Note Payment Account transactions reflect amounts set aside to pay the principal of 2020-21 tax anticipation notes, and the payment of such notes at their maturity. Interest on such notes is not reflected in the Note Payment Account, but is recorded as a Note Interest Payment Disbursement in the schedule above.

APPENDIX C

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

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

November 5, 2020

The Board of Education of
Bethpage Union Free School District,
in the County of Nassau, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Bethpage Union Free School District (the "School District"), in the County of Nassau, a school district of the State of New York in connection with the authorization, sale and issuance of the $7,500,000 Tax Anticipation Note for 2020-2021 Taxes (the "Note"), dated and delivered on the date hereof.

We have examined a record of proceedings relating to the Note for purposes of this opinion. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

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

1. The Note is a valid and legally binding general obligation of the School District for which the School District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the School District is subject to the levy of ad valorem real estate taxes to pay the Note and interest thereon, subject to certain statutory limitations. The enforceability of rights or remedies with respect to such Note may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

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

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

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

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

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

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

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

Very truly yours,

APPENDIX D

FORM OF UNDERTAKING TO PROVIDE NOTICES OF EVENTS

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

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

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

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

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

"Issuer" shall mean Bethpage Union Free School District, in the County of Nassau, a school district of the State of New York.

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

"Purchaser" shall mean the financial institution referred to in the Certificate of Determination, executed by the President of the Board of Education as of November 5, 2020.

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

"Securities" shall mean the School District's $7,500,000 Tax Anticipation Note for 2020-2021 Taxes, dated November 5, 2020, maturing on June 24, 2021, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, to the Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;

(7) modifications to rights of Securities holders, if material;

(8) Bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution, or sale of property securing repayment of the Securities, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

(13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of

a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

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

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

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

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

(a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);

(b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

(d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;

(e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

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

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

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

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

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of November 5, 2020.

BETHPAGE UNION FREE SCHOOL DISTRICT

By____
President of the Board of Education