

PRELIMINARY OFFICIAL STATEMENT DATED JULY 12, 2022

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

RATINGS: See “RATINGS” herein

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

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

**PORT WASHINGTON UNION FREE SCHOOL DISTRICT
NASSAU COUNTY, NEW YORK**

\$66,900,000*

**SCHOOL DISTRICT SERIAL BONDS – 2022
(the “Bonds”)**

Date of Issue: Date of Delivery

Maturity Dates: August 1, 2023 – 2037

\$17,000,000*

**TAX ANTICIPATION NOTES FOR 2022-2023 TAXES
(the “Notes”)**

Date of Issue: August 3, 2022

Maturity Dates: June 23, 2023

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

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

The Bonds will be dated the date of delivery and will bear interest from that date until maturity at the annual rate or rates as specified by the purchaser of the Bonds, payable on August 1, 2023 and semiannually thereafter on February 1 and August 1 in each year until maturity. The Bonds shall mature on August 1 in the years and amounts as set forth on the inside cover page hereof. The Bonds will be subject to optional redemption prior to maturity as described herein. (See “*Optional Redemption*” herein.)

The Notes are dated their Date of Issue and bear interest from that date until the Maturity Date, at the annual rate as specified by the purchaser 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 be (i) registered in the name of the successful bidder(s) or (ii) registered to Cede & Co., as the partnership nominee for The Depository Trust Company (“DTC”) as book-entry notes.

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

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

The Bonds and Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the respective final approving opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and certain other conditions. It is anticipated that delivery of the Bonds and Notes will be made on or about August 3, 2022, through the offices of DTC, or such place agreed to by the purchaser(s) and the District.

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

DATED: July __, 2022

*Preliminary subject to change.

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

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

<u>Date</u>	<u>Amount⁽¹⁾</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number⁽³⁾</u>
2023	\$2,680,000			
2024	3,770,000			
2025	3,860,000			
2026	3,965,000			
2027	4,070,000			
2028	4,185,000			
2029	4,310,000			
2030	4,445,000			
2031 ⁽²⁾	4,585,000			
2032 ⁽²⁾	4,740,000			
2033 ⁽²⁾	4,900,000			
2034 ⁽²⁾	5,070,000			
2035 ⁽²⁾	5,250,000			
2036 ⁽²⁾	5,435,000			
2037 ⁽²⁾	5,635,000			

- (1) The principal amounts of the Bonds are subject to adjustment following their sale, pursuant to the terms of the accompanying Notice of Sale.
- (2) The Bonds maturing in the years 2031 and thereafter will be subject to optional redemption prior to maturity, as described herein. (See "*Optional Redemption*" herein.)
- (3) Copyright 1999-2013, Standard & Poor's, a Division of The McGraw-Hill Companies, Inc. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP number has been assigned by an independent company not affiliated with the District and is included solely for the convenience of the owners of the Bonds. The District is not responsible for the selection or uses of the CUSIP number, and no representation is made as to its correctness on the Bonds or as indicated above. The CUSIP number is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Bonds.

**PORT WASHINGTON UNION FREE SCHOOL DISTRICT
NASSAU COUNTY, NEW YORK**

2022-23 Board of Education

ADAM SMITH..... President
DEBORAH BROOKS..... Vice President
EMILY BEYS Board Member
JULIE EPSTEIN..... Board Member
ADAM E. BLOCK..... Board Member
RACHEL GILLIAR Board Member
NANETTE MALKONIAN Board Member

Dr. MICHAEL HYNES, Ed. D. Superintendent of Schools
KATHLEEN O’HARA..... Assistant Superintendent for Business
DONNA VIOLA District Treasurer
RUTH SMITH..... District Clerk

BOND COUNSEL

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

MUNICIPAL ADVISOR

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

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

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OFFICIAL STATEMENT

**PORT WASHINGTON UNION FREE SCHOOL DISTRICT
NASSAU COUNTY, NEW YORK**

relating to

\$66,900,000*

**SCHOOL DISTRICT SERIAL BONDS – 2022
(the “Bonds”)**

and

\$17,000,000*

**TAX ANTICIPATION NOTES FOR 2022-2023 TAXES
(the “Notes”)**

This Official Statement, which includes the cover page, inside cover page and appendices hereto, presents certain information relating to the Port Washington Union Free School District, in Nassau County, in the State of New York (the “District,” “County,” and “State,” respectively), in connection with the sale of \$66,900,000* School District Serial Bonds – 2022 (the “Bonds”) and \$17,000,000 Tax Anticipation Notes for 2022-2023 Taxes (the “Notes”).

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

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 BONDS AND THE NOTES

Description of the Bonds

The Bonds will be dated the date of delivery and will bear interest from that date until maturity at the annual rate or rates as specified by the purchaser of the Bonds, payable on August 1, 2023 and semiannually thereafter on February 1 and August 1 in each year until maturity. The Bonds shall mature on August 1 in the years and amounts as set forth on the inside cover page hereof. The Bonds will be subject to optional redemption prior to maturity as described herein. (See “*Optional Redemption*” herein).

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

*Preliminary subject to change.

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

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

Description of the Notes

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

The District will act as Paying Agent for any Notes issued in book-entry form. Paying agent fees, if any, for non-book-entry notes will be paid by the purchaser(s). The District's contact information is Ms. Kathleen O'Hara, Assistant Superintendent for Business, telephone number (516) 767-5010, kohara@portnet.org.

Authority for and Purpose of the Bonds

The Bonds are issued pursuant to the Constitution and laws of the State, and a bond resolution adopted by the Board of Education of the District on April 21, 2015, following approval of a proposition by a majority of the qualified voters of the District at a Special District Meeting held on March 10, 2015, authorizing the issuance of \$69,877,198 serial bonds by the District to finance the construction of improvements and alterations to all District buildings and the sites thereof. A portion of the proceeds from the sale of the Bonds in the amount of \$66,900,000, together with \$1,042,198 in available funds, will be used to redeem the \$67,942,198 bond anticipation notes currently outstanding at maturity on August 4, 2022.

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 2022-2023 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 2022-2023 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.

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 2022-2023 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.

Optional Redemption

The Bonds maturing on or before August 1, 2030 are not subject to redemption prior to their stated maturity. The Bonds maturing on or after August 1, 2031 will be subject to redemption prior to maturity, at the option of the District, on any date on or after August 1, 2030, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

If less than all of the Bonds of any maturity are to be redeemed, the particular bonds of such maturity to be redeemed shall be selected by lot in any customary manner of selection as determined by the District. Notice of such call for redemption shall be given by mailing such notice to the registered holder not more than sixty (60) days nor less than thirty (30) days prior to such date of redemption. Notice of redemption having been given as aforesaid,

the bonds so called for redemption shall, on the date for redemption set forth in such call of redemption, become due and payable together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date (See “*Book-Entry-Only System*” for additional information concerning redemptions).

The Notes are not subject to redemption prior to maturity.

Nature of the Obligation

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

The Bonds are general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest the District has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the District without limitation as to rate or amount (See “*Tax Levy Limit Law*” herein.)

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 Chapter 97 of the Laws of 2011, as amended (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 Bonds and Notes, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate therefore. However, Chapter 97 of the New York Laws of 2011, as amended (the “*Tax Levy Limit Law*”), imposes a limitation on the power of local governments and school districts, including the District, to increase their annual tax levy, with the amount of such increase limited by the formulas set forth in the *Tax Levy Limit Law*. The *Tax Levy Limit Law* also provides the procedural method to overcome that limitation. In addition, the *Tax Levy Limit Law* expressly provides an exclusion from the annual tax levy limitation for any taxes levied to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures, or the refinancing or refunding of such bonds or notes. As the Bonds are being issued to finance voter approved capital expenditures, the Bonds qualify for such exclusion to the annual tax levy limitation. The exclusion does NOT apply to taxes to pay debt service on tax anticipation notes (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 Bonds, the Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Bonds or the Notes should the District default in the payment of principal of or interest on the Bonds or the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Bonds or the Notes upon the occurrence of any such default. The Bonds and the Notes are general obligation contracts between the District and the owners for which the faith and credit of the District are pledged and while remedies for enforcement of payment are not expressly included in the District’s contract with such owners, any permanent repeal by statute or constitutional amendment of a bondholder’s and/or noteholder’s remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Bonds or the Notes at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the District. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds or notes from funds

lawfully available therefor or, in the absence thereof, to order the District to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the District and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on the Bonds or the Notes, the owners of such Bonds or the Notes could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the District to assess, levy and collect an ad valorem tax, upon all taxable property of the District subject to taxation by the District sufficient to pay the principal of and interest on the Bonds or the Notes as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Bonds or the Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Bonds or the Notes. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Bonds or the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

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

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

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

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

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

No Past Due Debt

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

Bankruptcy

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

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

SECTION 99-B OF THE STATE FINANCE LAW

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

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

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State Teachers' Retirement System, and (b) the principal of and interest on such bonds and notes of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or

payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on the bonds and notes shall be forwarded promptly to the paying agent or agents for the bonds and notes in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds or notes. If any such successive allotments, apportionments or payment of such State aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds and notes in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds and notes in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds and notes of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds or notes pursuant to said section of the SFL.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

To facilitate subsequent transfers, all Bonds and Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized

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

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

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

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

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

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

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

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

Source: The Depository Trust Company and Clearing Corporation.

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

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

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

RISK FACTORS

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

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

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

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

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

“*Events Affecting New York School Districts*” herein). Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District’s financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, COVID-19, a respiratory disease caused by a new strain of coronavirus, 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 affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19 initially. The continued spread of the outbreak 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. In the opinion of the attorney for the District, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no 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 certifications described herein, (i) interest on the Bonds and the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and (ii) interest on the Bonds and the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code. The Tax Certificates of the District (the “Tax Certificate”), which will be delivered concurrently with the delivery of the Bonds and the Notes will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable

expectations made by the District in connection with the Bonds and the Notes, and Bond Counsel has assumed compliance by the District with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Bonds and the Notes from gross income under Section 103 of the Code.

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

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

Certain Ongoing Federal Tax Requirements and Certifications

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

Certain Collateral Federal Tax Consequences

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

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

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Bond or Note (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the

public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Bonds and Notes. In general, the issue price for each maturity of Bonds and Notes is expected to be the initial public offering price set forth on the cover page of the Official Statement. Bond Counsel further is of the opinion that, for any Bond or Note having OID (a “Discount Obligation”), OID that has accrued and is properly allocable to the owners of the Discount Obligation under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Bond or the Note.

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

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

Bond Premium

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

Information Reporting and Backup Withholding

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

If an owner purchasing a Bond or a Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds and the Notes from gross income

for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

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

Prospective purchasers of the Bonds and 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 Bonds and the Notes are subject to the respective approving legal opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. Bond Counsel's opinions will be in substantially the forms attached hereto in Appendices D and E, respectively.

DISCLOSURE UNDERTAKINGS

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

RATINGS

The District has applied to Moody's Investors Service, Inc. ("Moody's") for a rating on the Bonds and the Notes. Such applications are pending at this time.

The District's underlying credit rating by Moody's is "Aa2".

With respect to the Moody's rating applicable to uninsured debt of the District, such rating reflects only the views of Moody's and any desired explanation of the significance of such rating should be obtained from Moody's, at the following address: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. There can be no assurance that such 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 the Bonds or the Notes or the availability of a secondary market for the Bonds or the Notes.

MUNICIPAL ADVISOR

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

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

ADDITIONAL INFORMATION

Additional information may be obtained from the office of the District’s Assistant Superintendent for Business, Ms. Kathleen O’Hara (516) 767-5010, or from the District’s Municipal Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, (516) 487-9817.

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

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

The statements contained in this Official Statement and the appendices hereto that are not purely historical are forward-looking statements. Such forward-looking statements can be identified, in some cases, by terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “illustrate,” “example,” and “continue,” or the singular, plural, negative or other derivations of these or other comparable terms. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to such parties on the date of this Official Statement, and the City assumes no obligation to update any such forward-looking statements. The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including, but not limited to, risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in various important factors. Accordingly, actual results may vary from the projections, forecasts and estimates contained in this Official Statement and such variations may be material.

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

PORT WASHINGTON UNION FREE SCHOOL DISTRICT

By: _____
Adam Smith
President of the Board of Education

DATED: July __, 2022

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APPENDIX A

THE DISTRICT

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THE DISTRICT

General Information

The District is located on the north shore of Long Island in the Town of North Hempstead, in Nassau County, approximately 15 miles east of New York City. The District covers an area of approximately 10.3 square miles and includes a portion of the Village of Flower Hill, all of the villages of Sands Point, Baxter Estates, Manorhaven and Port Washington North, as well as a portion of the unincorporated area of the Town of North Hempstead.

The District is primarily residential in character, with some commercial development. Most residential development consists of single-family homes but apartment complexes and estates are also located within the area. Commercial facilities are mainly located in the Village of Port Washington North, North Hempstead, and in shopping centers offering parking facilities and featuring chain stores. There are also numerous recreational facilities available for residents, including several yacht clubs, marinas and golf and country clubs.

The population of the District is estimated by the U.S. Census Bureau to be 31,451 as of 2019 and has remained fairly stable over the last five years. There is a considerable commuter population in the District, due to the proximity of New York City where residents hold positions in industry, finance and various professions.

Rail transportation is provided by the Port Washington Branch of the Long Island Railroad. Highways serving the District include the Long Island Expressway and the Northern State Parkway. The area is covered by an extensive network of County and Town roads. In addition, public bus transportation is available by the Metropolitan Suburban Bus Authority.

Electricity and gas utilities are provided by the Long Island Power Authority. Water is supplied through the Port Washington Water District and the Sands Point Water Department. Police protection is provided by the Nassau County Police, Port Washington Police Department and the Sands Point Police Department. Fire protection is provided by the Port Washington Volunteer Fire Department.

District Organization

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

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

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

The major administrative officers of the District, whose duty it is to implement the policies of the Board and who are appointed by the Board, include the following: Superintendent of Schools, Assistant Superintendent for Curriculum, Instruction, and Assessment, Assistant Superintendent for Human Resources and General Administration, and Assistant Superintendent for Business.

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, 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 certain limitations 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).

On May 18, 2021, a majority of the voters of the District approved the District’s budget for the 2021-2022 fiscal year. On May 17, 2022, a majority of the voters of the District approved the District’s budget for the 2022-2023 fiscal year. Summaries of the District’s Adopted Budgets for the fiscal years 2021-2022 and 2022-2023 may be found in Appendix B, herein.

School Enrollment Trends

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

School Enrollment Trends

<u>Fiscal Year</u> <u>Ended June 30:</u>	<u>Enrollment</u>	<u>Fiscal Year</u> <u>Ended June 30:</u>	<u>Projected</u> <u>Enrollment</u>
2018	5,558	2023	5,210
2019	5,506	2024	5,155
2020	5,404	2025	5,140
2021	5,224	2026	5,041
2022	5,235	2027	4,996

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

District Facilities

The District operates 7 schools; statistics relating to each are shown below.

School Statistics

<u>Name</u>	<u>Capacity</u>	<u>Grades</u>	<u>Year Built/Rebuilt</u>
South Salem Elementary School	400	K-5	1951, 1957, 1958, 2004
John J. Daly Elementary School	550	K-5	1927, 1930, 1953, 2004
Manorhaven Elementary School	651	K-5	1951, 1956, 1961, 2004, 2019
Daniel & Florence Guggenheim Elementary School	704	K-5	1961, 2004, 2019
John P. Sousa Elementary School	792	K-5	1956
Carrie P. Weber, Middle School	1,181	6-8	1927, 1957, 2004, 2019
Paul D. Schreiber High School	1,221	9-12	1952, 1957, 1967, 2004

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

Employees

The District provides services through approximately 935 employees, some of whom are represented by the following units of organized labor.

Employees

<u>Number of Employees</u>	<u>Organization</u>	<u>Contract Expiration Date</u>
35	Association of Public School Administrators	6/30/23
497	Port Washington Teachers Association	6/30/22 ⁽¹⁾
69	Port Washington Association of Educational Secretaries	6/30/23
79	CSEA	6/30/23
239	Port Washington Para-Professionals Association	6/30/25
16	CSEA Security Aides	6/30/23

(1) In negotiations.

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

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. Tier 5 ERS employees contribute 3% of their salaries and TRS employees 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. Legislation effective April 9, 2022, reduced the vesting period for Tier 5 and 6 members from ten years to five years of service. Tier 6 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 5 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 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 such a fund and as of June 30, 2021, the TRS reserve was funded at \$1,659,520.

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, 2021 was \$423,427,415 using a discount rate of 1.9% and actuarial assumptions and other inputs as described in the District’s June 30, 2021 audited financial statements.

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

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

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

Investment Policy

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 or trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of the 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; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the District; (5) certificates of participation issued in connection with installment purchase contracts entered into by political subdivision 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 or 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 the custody of a bank or trust company in the State pursuant to a written custodial agreement as provided in Section 10 of the GML.

FINANCIAL FACTORS

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A Statement of Revenues and Expenditures for the five-year period ending June 30, 2021 is contained in Appendix B, attached hereto. As reflected in Appendix B attached hereto, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Property Taxes

The District derives the major portion of its revenues from a tax on real property (See "*Statement of Revenues, Expenditures and Changes in Fund Balance-General Fund*" in Appendix B, herein). Chapter 97 of the Laws of 2011, as amended, imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the District. (See "*The Tax Levy Limit Law*" herein). Property taxes accounted for 92.2% of total General Fund revenues for the fiscal year ended June 30, 2021, while State aid accounted for 6.1%.

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

Property Taxes

Fiscal Year <u>Ended June 30:</u>	Total <u>Revenues ⁽¹⁾</u>	Real Property <u>Taxes ⁽²⁾</u>	Real Property Taxes to <u>Revenues</u>
2017	\$146,532,806	\$135,664,033	92.6%
2018	149,223,553	138,336,669	92.7
2019	155,191,571	142,540,249	91.8
2020	160,434,176	146,445,603	91.3
2021	162,490,199	149,763,153	92.2
2022 (Adopted Budget)	167,268,942	146,775,940	87.7
2023 (Adopted Budget)	174,834,928	150,562,063	86.1

(1) General Fund.

(2) Inclusive of library taxes.

Source: Audited Financial Statements and Adopted Budgets 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 following table sets forth total general fund revenues and State aid revenues during the last five fiscal years, and the amount budgeted for the two most recent fiscal years.

State Aid

Fiscal Year <u>Ended June 30:</u>	Total <u>Revenues ⁽¹⁾</u>	<u>State Aid</u>	State Aid to Revenues
2017	\$146,532,806	\$ 8,727,643	6.0%
2018	149,223,553	8,433,172	5.7
2019	155,191,571	9,724,557	6.3
2020	160,434,176	10,875,148	6.8
2021	162,490,199	9,985,518	6.1
2022 (Adopted Budget)	167,268,942	11,160,002	6.7
2023 (Adopted Budget)	174,834,928	14,752,285	8.4

(1) General Fund.

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

In addition to the amount of State Aid budgeted annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program (See “*STAR – School Tax Exemption*” herein).

The amount of State aid to school districts is dependent in part upon the financial condition of the State. Due the outbreak of COVID-19 the State has declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses for an extended period. The outbreak of COVID-19 and the dramatic steps taken by the State to address it may 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 without federal funding 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.

The State's 2021-22 Enacted Budget provided \$29.5 billion in State funding to school districts for the 2021-22 school year the highest level of State aid ever. This represented an increase of \$3.0 billion or 11.3 percent compared to the 2020-21 school year, and included a \$1.4 billion or 7.6 percent Foundation Aid increase. Approximately 75 percent of this increase was targeted to high-need school districts.

The State's 2021-22 Enacted Budget also programmed \$13 billion of federal Elementary and Secondary School Emergency Relief Fund and the Governor's Emergency Education Relief Fund to public schools. This funding available for use over multiple years, is designed to assist schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2021-22 Enacted Budget allocated \$629 million of these funds to school districts as targeted grants to support efforts to address learning loss through activities such as summer enrichment and comprehensive after-school programs. In addition, the State's 2021-22 Enacted Budget used \$105 million of federal funds to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2021-22 school year.

The State's 2022-23 Enacted Budget provides \$31.3 billion in State funding to school districts for the 2022-23 school year the highest level of State aid ever. This represents a year-to-year funding increase of \$2.1 billion or 7.07%. and includes \$21.4 billion of Foundation Aid which increased 8.1% from 2021-22. The 2022-23 school year increase in Foundation Aid primarily reflects the second year of the three-year phase-in of full funding of the current Foundation Aid formula.

The State's 2022-23 Enacted Budget also increases the State's annual investment in prekindergarten to \$1.1 billion, an increase of \$125 million, or 13%. The Budget also includes a total of \$100 million of matching funds over two years to be provided to school districts and BOCES with the highest needs to address student wellbeing and learning loss in response to the trauma brought about by the COVID-19 pandemic. This includes support for extended school day or school year programs, afterschool programs, mental health professionals and other locally determined initiatives.

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in adoption of the State budget, which is due at the start of the State's fiscal year of April 1. The State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. The State's 2021-22 Enacted Budget was adopted on April 7, 2021. No assurance can be given that the State will not experience delays in in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, the COVID-19 pandemic, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision. Reductions in federal funding levels could have a materially adverse impact on the State budget.

In addition to the potential fiscal impact of policies that may be proposed and adopted by the federal administration and Congress, the State budget may be adversely affected by other actions taken by the federal government, including audits, disallowances, and changes to federal participation rates or other Medicaid rules.

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in

payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State.

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

Impacts of COVID-19

The District incurred certain expenses associated with the COVID-19 pandemic, including but not limited to, hiring additional workers and costs related to cleaning supplies and equipment. The District paid such costs from budgetary appropriations and/or available funds. The District does not believe that the increased costs described above will have a material adverse impact on the finances of the District. See also “*State Aid*” herein.

The District received approximately \$375,000 in CARES Act funds in the 2020-2021 fiscal year that offset school building related expenditures due to the pandemic. The District is allocated approximately \$5 million in additional Federal stimulus funding between the American Rescue Plan Act (“ARP”) and the Coronavirus Response and Relief Supplemental Appropriations Act (“CRRSA”) to address learning loss, mental health needs, to upgrade technology and support all students' academic needs.

Events Affecting New York School Districts

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

School district fiscal year (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 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 has 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.

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

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

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 “*Market Factors Affecting Financing of the State and School Districts of the State*” herein).

The Smart Schools Bond Act (the “SSBA”) was passed as part of the Enacted 2014-2015 State Budget. The Smart Schools Bond Act authorizes the issuance of \$2 billion of general obligation bonds to 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 attached hereto 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 attached hereto.

The State Comptroller’s Fiscal Stress Monitoring System and Compliance Reviews

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

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

The most current applicable report of the State Comptroller designates the District as “no designation.”

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 October 28, 2016. The purpose of the audit was to evaluate District controls over claims processing and inventories for the period July 1, 2014 through May 31, 2016. The complete report can be obtained from OSC’s website.

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

TAX INFORMATION

Real Property Tax Assessment and Rates

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

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023⁽³⁾</u>
Assessed Value	\$ 19,966,843	\$ 19,264,262	\$ 11,991,516	\$ 13,107,631	\$ 13,107,631
Equalization Rate	0.23%	0.21%	0.17%	0.18%	N/A
Full Value	8,681,236,087	9,173,458,095	7,053,832,941	7,282,017,222	N/A
Tax Levy ⁽¹⁾	137,049,299	140,995,639	143,802,224	146,775,940	150,562,063
Tax Rate ⁽²⁾	\$ 6,899.30	\$ 7,319.03	\$ 11,992.00	\$ 11,197.75	\$ 11,486.60

(1) Exclusive of Library Tax Levy.

(2) Per \$1,000 Assessed Value.

(3) Preliminary.

Source: New York State Comptroller's Office and District Officials.

Tax Limit

The Constitution does not limit the amount that may be raised by the District-wide tax levy on real estate in any fiscal year. (See, however, “*Tax Levy Limit Law*” herein).

The Tax Levy Limit Law

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

Prior to the enactment of the Law, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district could either have presented a revised budget for voter approval or adopted a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of

four percent (4%) of the prior year's budget or one hundred twenty percent (120%) of the consumer price index ("CPI").

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

The Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures and the refinancing or refunding of such bonds or notes (such as the Bonds), 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. (See "*Nature of Obligation*" 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. However, in some recent years, the District has experienced delays in its receipt of uncollected school district taxes from the County. In such years, the District received its payments in July and August, the first months of its subsequent fiscal year.

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

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

Approximately 2.36% of the District's 2021-2022 school tax levy was exempted by the STAR program and the District has received full reimbursement of such exempt taxes from the State. Approximately 2.31% of the District's 2022-2023 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 2023. (See "State Aid" herein).

Largest Taxpayers of the District

The following table presents the taxable assessments of the District's largest taxpayers for the 2021-2022 fiscal year.

<u>Taxable Assessments</u>				
<u>Taxpayer Name</u>	<u>Nature Of Business</u>	<u>Total Assessed Valuation</u>	<u>% of Assessed Valuation</u> ⁽¹⁾	
KeySpan Gas East	Utility	\$ 394,944	3.01%	
LBUBS 2007-C7 Shore Road LLC	Financial	238,957	1.82	
Spivack Realty Co.	Real Estate	229,749	1.75	
Stop & Shop Supermarkets	Commercial	155,479	1.19	
One Toms Point Lane Corp	Real Estate	136,203	1.04	
Dolphin Green Associates	Real Estate	92,116	0.70	
57 Seaview Realty Assoc.	Real Estate	84,676	0.65	
Ressa Family LLC	Real Estate	77,777	0.59	
AGMA Realty	Real Estate	74,158	0.57	
KBH 85 Harbor Road LLC	Real Estate	<u>73,653</u>	<u>0.56</u>	
	Total:	<u>\$1,555,280</u>	<u>11.87%</u>	

(1) The District's total assessed value for the 2021-2022 fiscal year is \$11,991,516.

Source: Town of North Hempstead Assessor's Office.

DISTRICT INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the District (and other municipalities and other 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.

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, as has been noted under “*Nature of Obligation*”, 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 with the amount of such year-to-year increase limited by the formulas set forth in the Tax Levy Limit Law. The law also provides a procedural method to determine that limitation. (See “*Nature of Obligation*” and “*The Tax Levy Limit Law*” herein.)

Statutory Procedure

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

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

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

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 and the Notes. However, such finance board may delegate the power to sell the Bonds and the Notes to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

Debt Limit. Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York provided the aggregate amount thereof shall not exceed ten per centum of the full valuation of taxable real estate of the District and subject to certain enumerated exclusions and deductions such as State aid for building purposes. The constitutional and statutory method for determining full valuation consists of taking the assessed valuation of taxable real estate for the last completed

assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined by such authority.

Statutory Debt Limit and Net Indebtedness

The debt limit of the District is \$728,201,722 as of July 12, 2022. This is calculated by taking 10% of the full value of the taxable real property of the District.

Statutory Debt Limit and Net Indebtedness

Full Valuation of Taxable Real Property		\$7,282,017,222
Debt Limit (10% of Full Valuation)		728,201,722
Outstanding Indebtedness ⁽¹⁾ (Principal Only):		
Bonds	\$ 6,875,000	
Bond Anticipation Notes	<u>67,942,198</u>	
Gross Indebtedness		74,817,198
Less Exclusions for Estimated Building aid ⁽²⁾		0
Total Net Indebtedness		<u>74,817,198</u>
Net Debt-Contracting Margin		<u>\$ 653,384,524</u>
Percentage of Debt-Contracting Margin Exhausted		<u>10.27%</u>

- (1) Tax anticipation notes, revenue anticipation notes and energy performance contracts are not included in the computation of the statutory debt limit of the District. (See “Revenue Anticipation Notes,” “Tax Anticipation Notes” and “Energy Performance Contract” herein).
- (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 building purposes is currently estimated by District officials at 18.7% of the District’s applicable outstanding indebtedness. Debt issued on behalf of the Port Washington Public Library District does not receive State building aid.

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

Authorized and Unissued Indebtedness

The District has no authorized and unissued indebtedness.

Bond Anticipation Notes

On August 4, 2021, the District issued \$67,942,198 Bond Anticipation Notes – 2021 which mature on August 4, 2022. The proceeds from the sale of the Bonds, together with \$1,042,198 in available funds, will be used to redeem these notes in full at maturity.

Revenue Anticipation Notes

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

Tax Anticipation Notes

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

Borrowing History

<u>Fiscal Year Ended June 30:</u>	<u>Issue Date</u>	<u>Amount Issued</u>	<u>Maturity Date</u>
2018	08/08/17	\$16,000,000	06/21/18
2019	08/07/18	17,000,000	06/25/19
2020	08/06/19	18,000,000	06/25/20
2021	08/05/20	16,000,000	06/24/21
2022	08/04/21	17,500,000	06/23/22

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

Trend of Outstanding Indebtedness

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

**Direct Capital Indebtedness Outstanding⁽¹⁾
(Fiscal Year Ended June 30:)**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022⁽²⁾</u>
Bond Anticipation Notes	\$25,500,000	\$32,305,000	\$45,895,000	\$59,355,000	\$67,942,198
Bonds	<u>28,975,000</u>	<u>24,360,000</u>	<u>19,140,000</u>	<u>14,420,000</u>	<u>9,340,000</u>
Totals	<u>\$54,475,000</u>	<u>\$56,665,000</u>	<u>\$65,035,000</u>	<u>\$73,775,000</u>	<u>\$77,282,198</u>

(1) Exclusive of energy performance contracts and other leases. (See “*Energy Performance Contract Debt Service*” herein.)

(2) Unaudited.

Source: Audited Financial Statements of the District, Office of the Assistant Superintendent for Business. This summary is not audited.

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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

<u>Issuer</u>	<u>Net Debt Outstanding</u>	<u>As of</u>	<u>District Share</u>	<u>Amount Applicable To District</u>
Nassau County	\$3,788,111,000	04/30/22	2.9%	\$ 109,855,219
North Hempstead Town	335,477,404	02/28/22	13.1	43,947,540
Baxter Estates Village	0	05/31/20	100.0	0
Flower Hill Village	0	05/31/20	20.6	0
Manorhaven Village	2,195,000	05/31/20	100.0	2,195,000
Port Washington North Village	0	05/31/20	100.0	0
Sands Point Village	9,555,713	04/07/22	100.0	<u>9,555,713</u>
Total Net Overlapping Debt				\$165,553,472
Total Net Direct Debt				<u>74,817,198</u>
Net Direct and Overlapping Debt				<u>\$240,370,670</u>

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

Debt Ratios

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

Debt Ratios

	<u>Amount</u>	<u>Debt Per Capital⁽¹⁾</u>	<u>Debt to Full Value⁽²⁾</u>
Net Direct Debt	\$ 74,817,198	\$ 2,379	1.03%
Net Direct and Overlapping Debt	240,370,670	7,643	3.30

(1) The population of the District was 31,451 as of 2019 according to the U.S. Census Bureau.

(2) The District's full value of taxable real property for fiscal 2021-2022 is \$7,282,017,222.

Bond Debt Service Schedule

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

Bond Principal and Interest Maturity Table

<u>Fiscal Year</u> <u>Ended June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Debt Service</u>
2023 ⁽¹⁾	\$ 5,285,000	\$ 224,725	\$ 5,509,725
2024	455,000	114,825	569,825
2025	470,000	100,950	570,950
2026	485,000	86,625	571,625
2027	495,000	71,925	566,925
2028	515,000	56,775	571,775
2029	530,000	41,100	571,100
2030	545,000	24,975	569,975
2031	<u>560,000</u>	<u>8,400</u>	<u>568,400</u>
Totals	<u>\$ 9,340,000</u>	<u>\$ 730,300</u>	<u>\$10,070,300</u>

(1) For the entire fiscal year.

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

Energy Performance Contract Debt Service

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

Energy Performance Contract Principal and Interest Maturity Table

<u>Fiscal Year</u> <u>Ended June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Debt Service</u>
2023 ⁽¹⁾	\$ 352,559	\$ 94,376	\$ 446,935
2024	361,717	85,217	446,934
2025	371,113	75,821	446,934
2026	380,753	66,181	446,934
2027-2031	2,057,366	177,306	2,234,672
2032	<u>239,470</u>	<u>2,847</u>	<u>242,317</u>
Totals	<u>\$3,762,978</u>	<u>\$ 501,748</u>	<u>\$ 4,264,726</u>

(1) For the entire fiscal year.

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

ECONOMIC AND DEMOGRAPHIC DATA

Major Employers in the District

<u>Employer</u>	<u>Number of Employees</u>	<u>Nature of Business</u>
Global Equipment Co.	275	Truck, Industrial racks, Conveyors & Drum handling equip.
Pall Corp.	200	Industrial filters
Sports Eye, Inc.	140	Publishing and Printing
Bayside Motor Group	130	Precision gear and motion control devices
Kiss Products	100	Manicure preparation
TDK Electronics Corporation	100	Floppy Disks, Recording Tape Products
Industrial Fasteners Corporation	90	Screws, Machine Products
FAB-Con Machinery Redevel. Corp.	85	Finishing Machinery
DRI Mark Products, Inc.	80	Markers and Pens
Center Labs, Inc.	75	Pharmaceuticals

Source: New York Manufacturers Register.

Population

The District's population as of 2019 was 31,451 according to the U.S. Census Bureau. The following table presents population trends for the Town of North Hempstead (the "Town"), Nassau County (the "County") and State, based upon recent census data. Data provided for the Town, County and State in the following table is not necessarily representative of the District.

Population Trend

	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>Percentage Change 2010/2020</u>
Town	222,611	226,322	237,639	5.00%
County	1,334,544	1,339,532	1,395,774	4.20
State	18,976,457	19,378,102	20,201,249	4.25

Source: U.S. Census Bureau

Income

The following table presents median household income for the Town, County and State. Data provided for the Town, County and State in the following table is not necessarily representative of the District.

Median Household Income

	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>Percentage Change 2010/2020</u>
Town	\$94,156	\$95,221	\$130,551	37.10%
County	76,500	91,104	120,036	31.76
State	52,313	54,148	71,117	31.34

Source: U.S. Census Bureau

Employment and Unemployment

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Town	116,400	116,900	117,800	114,800	114,800
County	719,500	721,700	727,100	710,200	708,300
State	9,838,200	9,842,300	9,880,200	9,575,000	9,441,500

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

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

Yearly Average Unemployment Rates

<u>Year</u>	<u>Town</u>	<u>County</u>	<u>State</u>
2017	3.7%	4.1%	4.6%
2018	3.3	3.5	4.1
2019	3.1	3.3	3.8
2020	7.4	8.0	9.9
2021	4.1	4.5	6.9

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

Monthly Unemployment Rates

<u>Month</u>	<u>Town</u>	<u>County</u>	<u>State</u>
May 2021	4.2%	4.5%	7.0%
June	4.5	4.9	7.5
July	4.2	4.7	7.1
August	3.9	4.4	6.7
September	3.3	3.7	5.7
October	3.0	3.4	5.3
November	2.6	3.0	4.9
December	2.2	2.6	4.5
January 2022	2.9	3.3	5.3
February	3.1	3.5	5.1
March	2.8	3.2	4.7
April	2.2	2.6	4.2

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

END OF APPENDIX A

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APPENDIX B

**FINANCIAL STATEMENT SUMMARIES AND
CASH FLOW STATEMENTS**

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

	<u>Adopted</u> <u>2021-2022 ⁽¹⁾</u>	<u>Adopted</u> <u>2022-2023 ⁽²⁾</u>
Revenues		
Real Property Taxes ⁽³⁾	\$146,775,940	\$150,562,063
State Sources	11,160,002	14,752,285
Other ⁽⁴⁾	7,170,000	7,520,580
Appropriated Fund Balance	<u>2,163,000</u>	<u>2,000,000</u>
 Total Revenues	 <u><u>\$167,268,942</u></u>	 <u><u>\$174,834,928</u></u>
 Expenditures		
General Support	\$14,888,574	\$17,102,751
Instruction	92,094,088	94,239,621
Pupil Transportation	8,011,090	8,838,487
Employee Benefits	41,888,616	44,064,309
Debt Service	8,143,486	8,246,660
Interfund Transfers	<u>2,243,088</u>	<u>2,343,100</u>
 Total Expenditures	 <u><u>\$167,268,942</u></u>	 <u><u>\$174,834,928</u></u>

(1) On May 18, 2021, voters of the District approved the District's proposed budget for the 2021-22 fiscal year.

(2) On May 17, 2022, voters of the District approved the District's proposed budget for the 2022-23 fiscal year.

(3) Exclusive of library tax levy.

(4) Inclusive of LIPA PILOT Payments.

Source: Adopted Budgets of the District.

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

	<u>2020</u>	<u>2021</u>
Assets		
Cash and Cash Equivalents	\$23,670,614	\$23,751,477
Due from Other Funds	2,652,194	2,540,512
Due from Other Governments	6,073,916	5,897,339
Other Receivables	18,755	13,073
Prepaid Items	<u>1,932,139</u>	<u>1,985,124</u>
Total Assets	<u><u>\$34,347,618</u></u>	<u><u>\$34,187,525</u></u>
Liabilities and Fund Equity		
Liabilities		
Accounts Payable	\$2,423,941	\$1,264,493
Accrued Liabilities	2,189,550	2,878,854
Other Liabilities	0	1,062,920
Due to Other Funds	2,489,872	761,982
Due to Other Governments	1,575,991	1,213,261
Due to Retirement System	<u>6,968,218</u>	<u>7,659,524</u>
Total Liabilities	<u><u>\$15,647,572</u></u>	<u><u>\$14,841,034</u></u>
Deffered Revenue of Resources		
Unavailable Revenue-State Aid	\$184,658	\$0
Overpayments & Collections in Advance	0	47,811
Unearned Revenue	<u>0</u>	<u>46,622</u>
	\$184,658	\$94,433
Fund Balance		
Restricted	\$6,695,894	\$8,197,876
Non-Spendable	1,932,139	1,985,124
Assigned	3,374,004	2,378,300
Unassigned	<u>6,513,351</u>	<u>6,690,758</u>
Total Fund Balance	<u><u>\$18,515,388</u></u>	<u><u>\$19,252,058</u></u>
Total Liabilities and Fund Balance	<u><u>\$34,347,618</u></u>	<u><u>\$34,187,525</u></u>

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

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

	2017	2018	2019	2020	2021
Revenues					
Real Property Taxes	\$124,122,522	\$127,584,591	\$131,777,058	\$136,796,720	\$140,080,767
Other Tax Items	5,573,395	5,086,479	5,460,850	5,471,182	5,935,159
School Tax Relief Reimbursement	5,968,116	5,665,599	5,302,341	4,177,707	3,747,227
Charges for Services	480,837	461,321	455,393	373,803	259,226
Use of Money and Property	547,119	902,127	1,577,178	1,219,148	952,937
Sales of Property and Comp. for Loss	182,892	6,181	179,187	443,214	528,657
Forfeitures	0	0	0	0	0
Federal Sources	133,332	130,703	237,356	275,388	545,731
Miscellaneous	796,950	953,380	477,651	801,866	454,977
State Aid	8,727,643	8,433,172	9,724,557	10,875,148	9,985,518
Total Revenues	146,532,806	149,223,553	155,191,571	160,434,176	162,490,199
Expenditures					
General Support	\$13,254,884	\$13,621,630	\$13,526,393	\$13,966,576	\$15,609,744
Instruction	83,960,079	85,911,112	87,670,475	88,867,646	90,568,765
Pupil Transportation	5,633,101	5,764,952	6,041,152	5,700,662	6,897,734
Employee Benefits	35,782,567	37,371,531	39,385,503	38,310,869	39,221,367
Debt Service	6,877,742	7,476,552	7,957,868	7,636,713	7,354,662
Total Expenditures	\$145,508,373	\$150,145,777	\$154,581,391	\$154,482,466	\$159,652,272
Excess (Deficit) of Revenues & Other Sources over Expenditures	1,024,433	(922,224)	610,180	5,951,710	2,837,927
Other Changes in Fund Balance:					
Operating Transfers in	26,650	140,441	1,125,000	0	90,000
Operating Transfers out	(1,079,594)	(1,004,861)	(964,356)	(1,127,677)	(1,651,257)
BANs Redeemed from Appropriations	0	0	0	(410,000)	(540,000)
Prior Year Adjustment	0	0	0	0	0
Net Increase (Decrease)	(28,511)	(1,786,644)	770,824	4,414,033	736,670
Balance Beginning of Fiscal Year	\$15,145,686	\$15,117,175	\$13,330,531	\$14,101,355	\$18,515,388
Balance End of Fiscal Year	\$15,117,175	\$13,330,531	\$14,101,355	\$18,515,388	\$19,252,058

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

**Port Washington Union Free School District
Actual Cash Flow - Fiscal Year 2021-22**

MONTH	JULY	AUG	SEPT	OCT	NOV 1-15	NOV 16-30	DEC	JAN	FEB	MAR	APRIL	MAY	Estimated JUNE	TOTAL
BALANCE (Beginning) (1)	\$ 15,553,602	\$ 8,402,561	\$ 24,974,258	\$ 13,644,562	\$ 10,642,200	\$ 4,048,487	\$ 32,919,220	\$ 47,159,451	\$ 44,805,638	\$ 32,948,227	\$ 21,658,160	\$ 18,114,578	\$ 44,247,687	\$ 15,553,602
RECEIPTS:														
Property Taxes (2)(3)	\$ -	\$ 4,792,459	\$ 112,605	\$ 10,152,425	\$ 1,071	\$ 28,690,902	\$ 31,601,513	\$ 7,979,414	\$ 163,740	\$ 88,201	\$ 9,141,146	\$ 43,657,734	\$ 14,961,579	\$ 151,342,789
STAR Aid	-	-	-	-	-	-	-	3,469,640	-	-	-	-	-	3,469,640
State Aid	-	322,177	1,263,758	41,595	41,595	-	214,485	41,595	240,325	1,621,115	-	-	585,866	4,372,511
Other Receipts	324,665	635,324	94,879	202,352	93,393	94,633	288,651	200,656	237,315	193,559	201,005	150,400	65,829	2,782,661
Transfers	751,698	50,780	435,313	68,980	-	1,932,599	1,605,085	369,889	797,283	1,488,532	43,189	723,003	909,830	9,176,182
Library Taxes	-	-	-	-	-	7,072,264	-	-	-	-	-	-	-	7,072,264
Note Proceeds - TANS	-	17,500,000	-	-	-	-	-	-	-	-	-	-	-	17,500,000
Total Receipts	\$ 1,076,363	\$ 23,300,740	\$ 1,906,556	\$ 10,465,352	\$ 136,059	\$ 37,790,398	\$ 33,709,735	\$ 12,061,194	\$ 1,438,663	\$ 3,391,407	\$ 9,385,340	\$ 44,531,137	\$ 16,523,104	\$ 195,716,047
Total Receipts+Balance	\$ 16,629,965	\$ 31,703,301	\$ 26,880,813	\$ 24,109,914	\$ 10,778,258	\$ 41,838,885	\$ 66,628,954	\$ 59,220,645	\$ 46,244,300	\$ 36,339,634	\$ 31,043,500	\$ 62,645,715	\$ 60,770,791	\$ 211,269,649
DISBURSEMENTS:														
Operating Expenses	\$ 3,879,914	\$ 2,995,458	\$ 4,850,364	\$ 4,617,436	\$ 2,094,407	\$ 2,094,407	\$ 7,275,636	\$ 6,074,923	\$ 4,780,758	\$ 6,107,952	\$ 3,754,248	\$ 5,188,996	\$ 6,677,166	\$ 60,391,665
Salary & Benefits	1,879,590	1,721,737	7,685,887	7,926,812	3,601,787	3,974,497	8,525,137	7,713,754	7,658,535	7,784,166	7,650,673	7,793,311	16,287,512	90,203,399
Debt Service	2,467,900	503,875	-	223,467	-	-	2,370,875	36,975	67,425	-	223,467	1,405,013	59,500	7,358,498
Transfers	-	400,000	200,000	200,000	1,033,578	1,903,985	708,500	-	200,000	200,000	711,178	882,931	5,024,210	11,464,382
TAN Interest Payment	-	-	-	-	-	-	-	-	-	-	-	-	310,139	310,139
TAN Principal Payments	-	-	-	-	-	-	-	-	-	-	-	2,538,421	14,961,579	17,500,000
Library Expense	-	1,107,973	500,000	500,000	-	946,777	589,355	589,355	589,355	589,355	589,355	589,355	713,022	7,303,902
Total Disbursements	\$ 8,227,404	\$ 6,729,043	\$ 13,236,251	\$ 13,467,714	\$ 6,729,771	\$ 8,919,665	\$ 19,469,503	\$ 14,415,008	\$ 13,296,074	\$ 14,681,474	\$ 12,928,922	\$ 18,398,028	\$ 44,033,127	\$ 194,531,984
BALANCE (Ending)	\$ 8,402,561	\$ 24,974,258	\$ 13,644,562	\$ 10,642,200	\$ 4,048,487	\$ 32,919,220	\$ 47,159,451	\$ 44,805,638	\$ 32,948,227	\$ 21,658,160	\$ 18,114,578	\$ 44,247,687	\$ 16,737,664	\$ 16,737,664

NOTE PAYMENT ACCOUNT (4)

Balance (Beginning)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,538,421	\$0
Receipts	0	0	0	0	0	0	0	0	0	0	0	0	2,538,421	17,500,000
Disbursements	0	0	0	0	0	0	0	0	0	0	0	0	17,500,000	17,500,000
Balance (Ending)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,538,421	\$0

- (1) Balance as of June 30, 2021. Exclusive of all General Fund Restricted Reserves.
- (2) Inclusive of \$6,069,281 in PILOT payments, including \$2,184,848 for LIPA PILOT payments.
- (3) August and September 2021 property tax receipts reflect payments from the County related to taxes levied during the District's 2020-21 fiscal year. See "Tax Collection Procedure" herein.
- (4) Note Payment Account transactions reflect amounts set aside to pay the principal of tax anticipation notes due in 2021-2022 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.

Note: This cashflow statement has been provided by the Port Washington UFSD. The figures contained herein have not been audited by the District's auditors or its Municipal Advisor and are believed to be accurate as of the date hereof.

**Port Washington Union Free School District
Projected Cash Flow - Fiscal Year 2021-22**

MONTH	JULY	AUG	SEPT	OCT	NOV 1-15	NOV 16-30	DEC	JAN	FEB	MAR	APRIL	MAY	JUNE	TOTAL
BALANCE (Beginning) (1)	\$ 16,737,664	\$ 8,388,543	\$ 22,857,607	\$ 10,780,002	\$ 5,371,990	\$ 1,661,453	\$ 39,047,788	\$ 45,753,492	\$ 42,021,226	\$ 29,871,654	\$ 18,572,724	\$ 15,108,186	\$ 40,513,787	\$ 16,737,664
RECEIPTS:														
Property Taxes (2)(3)	\$ 440,997	\$ 3,815,996	\$ 113,321	\$ 7,994,683	\$ 2,189,146	\$ 40,405,236	\$ 23,870,986	\$ 6,779,881	\$ 43,180	\$ 470,295	\$ 10,009,455	\$ 44,409,602	\$ 12,696,735	\$ 153,239,515
STAR Aid	-	-	-	-	-	-	-	3,472,548	-	-	-	-	-	3,472,548
State Aid	7,846	134,409	1,220,866	92,249	48,438	33,774	1,073,470	82,212	317,652	2,901,976	56,851	14,598	969,534	6,953,877
Other Receipts	87,500	208,968	135,286	87,435	16,551	37,891	125,679	86,644	90,037	136,687	49,549	56,081	52,272	1,170,580
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Library Taxes	-	-	-	-	-	5,661,800	1,410,464	-	-	-	-	-	-	7,072,264
Note Proceeds - TANS	-	17,000,000	-	-	-	-	-	-	-	-	-	-	-	17,000,000
Total Receipts	\$ 536,343	\$ 21,159,374	\$ 1,469,473	\$ 8,174,368	\$ 2,254,136	\$ 46,138,701	\$ 26,480,599	\$ 10,421,285	\$ 450,869	\$ 3,508,958	\$ 10,115,855	\$ 44,480,282	\$ 13,718,541	\$ 188,908,784
Total Receipts+Balance	17,274,007	29,547,917	24,327,081	18,954,370	7,626,126	47,800,153	65,528,387	56,174,777	42,472,095	33,380,612	28,688,579	59,588,468	54,232,328	205,646,448
DISBURSEMENTS:														
Operating Expenses	\$ 3,883,721	\$ 3,846,850	\$ 4,727,173	\$ 4,423,355	\$ 1,913,614	\$ 4,012,067	\$ 7,661,593	\$ 5,333,384	\$ 3,764,196	\$ 5,951,929	\$ 4,513,814	\$ 4,884,581	\$ 6,333,505	\$ 61,249,781
Salary & Benefits	1,910,412	1,699,425	8,104,826	8,298,475	4,003,804	4,075,335	8,928,118	8,178,546	8,157,569	8,252,428	8,215,944	8,321,862	17,050,234	95,196,979
Debt Service	2,501,975	507,425	-	223,467	-	-	2,439,500	-	60,825	-	223,467	-	1,990,000	7,946,659
Transfers	-	47,255	125,725	47,728	47,255	75,608	156,329	52,265	28,496	14,177	37,813	975,618	734,831	2,343,100
TAN Interest Payment	-	-	-	-	-	-	-	-	-	-	-	-	300,000	300,000
TAN Principal Payments	-	-	-	-	-	-	-	-	-	-	-	4,303,265	12,696,735	17,000,000
Library Expense	589,355	589,355	589,355	589,355	-	589,355	589,355	589,355	589,355	589,355	589,355	589,355	589,357	7,072,262
Total Disbursements	\$ 8,885,464	\$ 6,690,310	\$ 13,547,079	\$ 13,582,380	\$ 5,964,673	\$ 8,752,365	\$ 19,774,895	\$ 14,153,551	\$ 12,600,441	\$ 14,807,888	\$ 13,580,393	\$ 19,074,681	\$ 39,694,662	\$ 191,108,781
Balance (ending)	\$ 8,388,543	\$ 22,857,607	\$ 10,780,002	\$ 5,371,990	\$ 1,661,453	\$ 39,047,788	\$ 45,753,492	\$ 42,021,226	\$ 29,871,654	\$ 18,572,724	\$ 15,108,186	\$ 40,513,787	\$ 14,537,667	\$ 14,537,667

NOTE PAYMENT ACCOUNT (4)

Balance (Beginning)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,303,265	\$0
Receipts	0	0	0	0	0	0	0	0	0	0	0	4,303,265	12,696,735	17,000,000
Disbursements	0	0	0	0	0	0	0	0	0	0	0	0	17,000,000	17,000,000
Balance (Ending)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,303,265	\$0	\$0

- (1) Balance as of June 30, 2022. Exclusive of all General Fund Restricted Reserves.
- (2) Inclusive of \$6,150,000 in PILOT payments, including an estimated \$2,200,000 for LIPA PILOT payments.
- (3) July, August and September 2022 property tax receipts reflect payments from the County related to taxes levied during the District's 2021-22 fiscal year. See "Tax Collection Procedure" herein.
- (4) Note Payment Account transactions reflect amounts set aside to pay the principal of tax anticipation notes due in 2022-2023 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.

Note: This cashflow statement has been provided by the Port Washington UFSD. The figures contained herein have not been audited by the District's auditors or its Municipal Advisor and are believed to be accurate as of the date hereof.

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APPENDIX C

**LINK TO
AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021***

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

<https://emma.msrb.org/P21576639.pdf>

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

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

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APPENDIX D

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

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Hawkins Delafield & Wood LLP
250 Greenwich Street, 41st floor
New York, New York 10007

August 3, 2022

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

Ladies and Gentlemen:

We have acted as Bond Counsel to the Port Washington Union Free School District (the “School District”), in the County of Nassau, New York, a school district of the State of New York, in connection with the authorization, sale, and issuance of the \$66,900,000 School District Serial Bonds-2022 (the “Bonds”), dated and delivered on the date hereof.

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

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

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

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

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

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

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

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

Very truly yours,

APPENDIX E

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

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FORM OF OPINION OF BOND COUNSEL FOR THE NOTES

August 3, 2022

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

Ladies and Gentlemen:

We have acted as Bond Counsel to the Port Washington 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 \$17,000,000 Tax Anticipation Note for 2022-2023 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 F

FORM OF DISCLOSURE UNDERTAKING FOR THE BONDS

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UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

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

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

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

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

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

“Issuer” shall mean the Port Washington 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, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

“Purchaser” shall mean the financial institution referred to in the Certificate of Award, executed by the President of the Board of Education as of July 21, 2022.

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

“Securities” shall mean the Issuer’s **\$66,900,000 School District Serial Bonds-2022**, dated August 3, 2022, maturing in various principal amounts on August 1 in each of the years 2023 to 2037, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Port Washington, New York to the EMMA System:

- (i) no later than six (6) months following the end of each fiscal year, commencing with the fiscal year ending June 30, 2023, the Annual Information relating to such fiscal year, together with audited financial statements of the Issuer for such fiscal year if audited financial statements are then available; provided, however, that if audited financial statements are not then available, unaudited financial statements shall be provided with the Annual Information no later than six (6) months following the end of

each fiscal year, and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than one (1) year after the end of each fiscal year; provided, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933; and

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

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

government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

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

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

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the heading: "LITIGATION" and in APPENDIX A under the

headings: “THE DISTRICT,” “FINANCIAL FACTORS,” “TAX INFORMATION,” “DISTRICT INDEBTEDNESS” and “ECONOMIC AND DEMOGRAPHIC INFORMATION” and in Appendix B.

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

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

Section 4. Financial Statements. The Issuer’s annual financial statements for each fiscal year, if prepared, shall be prepared in accordance with New York State regulatory requirements or GAAP as in effect from time to time. Such financial statements, if prepared, shall be audited by an independent accounting firm.

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **August 3, 2022**.

**PORT WASHINGTON UNION FREE SCHOOL
DISTRICT**

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

APPENDIX G

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

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UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

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

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

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

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

“Issuer” shall mean the Port Washington 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 the date hereof.

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

“Securities” shall mean the Issuer’s \$17,000,000 Tax Anticipation Notes for 2022-2023 Taxes, dated August 3, 2022, maturing on June 23, 2023, and delivered on the date hereof.

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

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

- iii. unscheduled draws on debt service reserves reflecting financial difficulties;
- iv. unscheduled draws on credit enhancements reflecting financial difficulties;
- v. substitution of credit or liquidity providers, or their failure to perform;
- vi. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
- vii. modifications to rights of Securities holders, if material;
- viii. Bond calls, if material, and tender offers;
- ix. defeasances;
- x. release, substitution, or sale of property securing repayment of the Securities, if material;
- xi. rating changes;
- xii. bankruptcy, insolvency, receivership or similar event of the Issuer;

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

- xiii. the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

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

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **August 3, 2022**.

PORT WASHINGTON UNION FREE SCHOOL DISTRICT

By _____
President of the Board of Education