

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 5, 2023

NEW ISSUE: TAX ANTICIPATION NOTES

RATINGS: See “Ratings”

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that, for tax years beginning after December 31, 2022, interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See “Tax Matters” herein.

*The School District **WILL NOT** designate the Notes as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986.*

\$10,000,000

**FARMINGDALE UNION FREE SCHOOL DISTRICT
NASSAU AND SUFFOLK COUNTIES, NEW YORK**

**\$ 10,000,000 TAX ANTICIPATION NOTES, 2023
(the “Notes”)**

DATED: OCTOBER 26, 2023

DUE: JUNE 21, 2024

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 “*Tax Levy Limit Law*” herein.)

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

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

If the Notes are registered in the name of the successful bidder(s), a single note certificate will be issued for those respective 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 such Notes. The Notes will be registered to Cede & Co. as partnership nominee for DTC. Individual purchases may be made in book-entry form only, in principal amounts of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interests in the Notes issued in book-entry-only form. Payment of the principal of and interest on such Notes will be made by the District to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of such Notes as described herein. (See “*Description of Book-Entry System*” herein.)

The Notes are offered when, as and if issued and received by the purchasers and subject to the receipt of the final approving opinion of Orrick Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the offices of DTC in New York, New York or as otherwise agreed upon, on or about October 26, 2023.

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

October __, 2023

**FARMINGDALE UNION FREE SCHOOL DISTRICT
NASSAU AND SUFFOLK COUNTIES, NEW YORK**

Board of Education

Ralph Vincent Morales..... President
Suzanne D’Amico Vice President
Anthony Giordano.....Board Member
Michael Goldberg.....Board Member
Shèree JonesBoard Member
Kathy Lively.....Board Member
Dawn Luisi.....Board Member

Paul Defendini..... Superintendent of Schools
Michael MotisiAssistant Superintendent for Business
Mary Rogers.....District Clerk

Bond Counsel
ORRICK, HERRINGTON & SUTCLIFFE LLP
New York, New York

FINANCIAL ADVISOR



CAPITAL MARKETS ADVISORS, LLC
Hudson Valley * Long Island * New York City * Western New York
(516) 274-4501

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

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OFFICIAL STATEMENT
of the
FARMINGDALE UNION FREE SCHOOL DISTRICT
NASSAU AND SUFFOLK COUNTIES, NEW YORK
Relating To
\$10,000,000 Tax Anticipation Notes, 2023

This Official Statement, which includes the cover page, has been prepared by the Farmingdale Union Free School District, in Nassau and Suffolk Counties, New York (the "School District," "County," and "State," respectively) in connection with the sale by the School District of \$10,000,000 principal amount of Tax Anticipation Notes, 2023 (the "Notes").

The factors affecting the School District's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the School District tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

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

All financial and other information presented herein has been provided by the School District from its records, except information expressly attributed to other sources. The presentation of such information is intended to show recent historical data and is not intended to indicate or predict future or continuing trends in the financial position or other affairs of the School District. No representation is made that past experience will necessarily continue or be repeated in the future. The information, estimates and opinions provided herein are subject to change without notice from the date hereof.

THE NOTES

The Notes are general obligations of the School District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes thereon as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limitations. See "Nature of Obligation" herein and "TAX INFORMATION - The Tax Levy Limit Law" herein.

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

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

If the Notes are issued registered in the name of the successful bidder, a single note certificate will be issued for those Notes of an issue 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.

For those Notes issued as book-entry only notes registered to Cede & Co., DTC will act as securities depository for the Notes and owners will not receive certificates representing their interest in the Notes. Individual purchases of such registered Notes may be made in denominations of \$5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the School District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. See "Book-Entry-Only System" herein.

The School District's contact information is as follows: Mr. Michael Motisi, Assistant Superintendent for Business, 50 Van Cott Avenue Farmingdale, NY 11735, Phone: (516) 434-5120, mmotisi@farmingdaleschools.org.

The Notes will not be subject to prior redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

Authority for and Purpose of the Notes

The Notes are issued pursuant to the Constitution and laws of the State, including Sections 24.00 and 39.00 of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of New York, and a tax anticipation note resolution adopted by the Board of the District to finance cash flow requirements in anticipation of the collection of 2023-2024 real property taxes levied for school and library purposes on all taxable real property in the District. The proceeds of the Notes may be used only for the purposes for which such taxes were or are to be levied, unless all of said purposes have been paid and satisfied, in which case the proceeds of the notes may be used for any lawful school purpose. The proceeds of the Notes will not be used for the redemption or renewal of any outstanding tax or revenue anticipation notes.

Pursuant to Section 24.00(e) of the Local Finance Law, generally, whenever the amount of the Notes and any additional tax anticipation notes issued by the District in anticipation of the receipt of 2023-2024 real property taxes equals the amount of such taxes remaining uncollected, the District is required to set aside in a special bank account all of such uncollected taxes as thereafter collected, and to use the amounts so set aside only for the purpose of paying such Notes. Interest on the Notes will be provided from budget appropriations.

Nature of Obligation

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

Holders of any series of notes or bonds of the School District may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Notes will be general obligations of the School District and will contain a pledge of the faith and credit of the School District for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the School District has power and statutory authorization to levy ad valorem taxes on all real property within the School District subject to such taxation by the School District subject to applicable statutory limitations. See "TAX INFORMATION-The Tax Levy Limit Law" herein.

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

Under the Constitution of the State, the School District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limit Law imposes a statutory limitation on the School District's power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limit Law, it also provides the procedural method to surmount that limitation. See "The Tax Levy Limit Law," herein.

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

"A pledge of the City's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the City's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts have held they mean . . . So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may

not constrict the City's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted. While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

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

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

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

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

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

REMEDIES UPON DEFAULT

State Aid Intercept For School Districts. In the event of a default in the payment of the principal of and/or interest on the Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the School District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Notes. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes and bonds issued by the school districts in the State for school purposes provides that it will not repeal, revoke or rescind the provisions of Section 99-b, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

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

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State teachers retirement system, and (b) the principal of and interest on such bonds of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on bonds shall be forwarded promptly to the paying agent or agents for the bonds in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds. If any of such successive allotments, apportionments or payments of such State Aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds pursuant to said Section 99-b.

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

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the School District may not be enforced by levy and execution against property owned by the School District.

Authority to File For Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

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

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

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the School District.

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required

to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.” This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

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

No Past Due Debt

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

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, note 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, 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

Certificated Notes

DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the School District and discharging its responsibilities with respect thereto under applicable law, or the School District may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is utilized and later discontinued, the following provisions will apply: The Notes will be issued in bearer form in denominations of \$5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at a bank or trust company located and authorized to do business in the State to be named as fiscal agent by the School District. The Notes will remain not subject to redemption prior to their stated final maturity date.

RISK FACTORS

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

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

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

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

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

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid.

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

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. For tax years beginning after December 31, 2022, interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "Appendix E".

To the extent the issue price of any maturity of the Notes is less than the amount to be paid at maturity of such Notes (excluding amounts stated to be interest and payable at least annually over the term of such Notes), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Notes which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity of the Notes is the first price at which a substantial amount of such maturity of the Notes is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Notes accrues daily over the term to maturity of such Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Notes. Owners of the Notes should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount, including the treatment of owners who do not purchase such Notes in the original offering to the public at the first price at which a substantial amount of such Notes is sold to the public.

Notes purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Notes”) will be treated as having amortizable note premium. No deduction is allowable for the amortizable note premium in the case of notes, like the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an owner’s basis in a Premium Note, will be reduced by the amount of amortizable note premium properly allocable to such owner. Owners of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable note premium in their particular circumstances.

Bond Counsel is of the further opinion that the amount treated as interest on the Notes and excluded from gross income will depend upon the taxpayer’s election under Internal Revenue Notice 94-84. Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the “IRS”) is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated (i) as qualified stated interest or (ii) as part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount (the “original issue discount”). The Notes will be issued as short-term debt obligations. Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Notes if the taxpayer elects original issue discount treatment.

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

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

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

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion. The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of the Notes for federal income tax purposes. It is not binding on the Internal Revenue Service (“IRS”) or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel’s engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the owners regarding the tax-exempt status of the Notes in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt notes is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of notes presenting similar tax issues may affect the market price for, or the marketability of, the Notes, and may cause the District or the owners to incur significant expense.

Payments on the Notes generally will be subject to U.S. information reporting and possibly to “backup withholding.” Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate owner of Notes may be subject to backup withholding with respect to “reportable payments,” which include interest paid on the Notes and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Notes. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number (“TIN”) to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a “notified payee underreporting” described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an owner’s federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel’s opinion will be in substantially the form attached hereto as Appendix E.

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 carries insurance with coverage for cyber incidents or attacks and 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 District Attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no claims or actions pending which, if determined against the District, would have an adverse material effect on the financial condition of the District.

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

On October 3, 2023, the District received a notice of claim filed on behalf of student V.E. The claim alleges the District was negligent in connection with a bus accident occurring on September 21, 2023, in which two adults died and many students were injured. For damages, the claim only alleges that the student suffered “serious, permanent and life altering personal injuries.” The District is aware of two other lawsuits filed concerning the bus accident; however, neither lawsuit names the

District as a defendant. The District has already retained counsel to represent it in this matter and is being insured by the District's insurance carrier, NYSIR. No formal demand for settlement has been made and the claim does not list a monetary amount for damages.

Child Victims Act Claim –One lawsuit has been commenced against the District under the Child Victims Act. The plaintiff alleges instances of sexual assault by a bus monitor while attending a private school. Few details are provided, but the District denies all allegations and liability. The case was filed in August of 2021, but has largely been stayed by the court due to the bankruptcy of the Diocese of Rockville Centre. One of the co-defendants, Maryhaven School, has ties to the Diocese and all cases relating to the Diocese are on hold due to the bankruptcy filing. Once the stay is lifted, we intend to file a partial motion to dismiss the premises liability and Social Services Law claims. If successful, that would leave the negligence-based claims remaining.

The District worked to obtain coverage from its prior insurance carriers for the years at issue, 1998-2000. The defense costs are now being split by AIG and Zurich subject to a reservation of rights. Since little is known as far as specifics of the claims, the insurers reserved their rights to assert a disclaimer as events unfold. The AIG policies for 7/1/97-7/1/98 and 7/1/98-7/1/99 have limits of liability of \$1 million per occurrence and \$3 million in the aggregate. The Zurich policies for 7/1/99-7/1/00 and 7/1/00-7/1/01 have limits of liability of \$1 million per occurrence and \$2 million in the aggregate. General Star provided excess coverage.

MATERIAL EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time, (the "Rule") promulgated by the Securities and Exchange Commission (the "Commission"), pursuant to the Securities Exchange Act of 1934, the School District has agreed to provide, or cause to be provided, in a timely manner not in excess of ten business days after the occurrence of the event, during the period in which the Note is outstanding, to the Electronic Municipal Markets Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) 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 or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes.
- (g) modifications to rights of Note holders, if material
- (h) Note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Notes
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the School District
- (m) the consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material

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

(o) incurrence of a “financial obligation” (as defined in the “Rule”) of the District, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation, any of which affect noteholders, if material;

(p) default, event of acceleration, termination event, modification of terms or other similar events under a financial obligation of the District, if any such event reflects financial difficulties

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

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

With respect to event (l) 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 School District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the School District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the School District.

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

The School District reserves the right to terminate its obligations to provide the afore described notices of events, as set forth above, if and when the School District no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The School District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the School District's obligations under its material event notices undertaking and any failure by the School District to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

The School District reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the School District; provided that the School District agrees that any such modification will be done in a manner consistent with the Rule.

An “Undertaking to Provide Notice of Material Events” to this effect shall be provided to the purchaser(s) at closing.

The District has reviewed and modified its continuing disclosure practices to ensure that all annual filings and all material event notices are filed in a timely manner and, to the extent necessary, has also corrected any past failures to file.

RATING

The District has not applied to Moody's Investors Service (Moody's) for a rating on the Notes.

The District's underlying credit rating of “Aa2”.

Such rating reflects only the view of such organization, and an explanation of the significance of such rating should be obtained only from Moody's at the following address: Moody's Investors Service, Inc., 7 World Trade Center, 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 availability of a secondary market for the Bonds.

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC (the "Municipal Advisor"), serves as independent financial advisor to the School District on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the School District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the School District or the information set forth in this Official Statement or any other information available to the School District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

ADDITIONAL INFORMATION

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

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

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

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

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

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

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

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at www.capmark.org. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Capital Markets Advisors, LLC has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have

occurred in converting original sourced documents to digital format, and neither the School 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 School District disclaims any duty or obligation either to update or to maintain the information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Capital Markets Advisors, LLC and the School District also assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

Additional information may be obtained upon request from the School District's Financial Advisor, Capital Markets Advisors, LLC, at (516) 274-4501 or from the Assistant Superintendent for Business at (516) 434-5120.

FARMINGDALE UNION FREE SCHOOL DISTRICT

By: /s/ _____
Ralph Vincent Morales
President of the Board of Education

DATED: October __, 2023

APPENDIX A
THE DISTRICT

THE DISTRICT

General Information

The Farmingdale Union Free District is located in western-central Long Island, astride the Nassau-Suffolk County border, approximately 35 miles east of New York City. Based upon full valuation, approximately 80% of the District is located in the Town of Oyster Bay, Nassau County and approximately 20% is located in the Town of Babylon, Suffolk County. The District has a 2020 census population estimated at 41,196 and a land area of approximately 6 square miles. Located in the District is the incorporated Village of Farmingdale (the "Village").

The District is primarily residential with commercial and industrial activity centered in the "downtown" area of the Village and along Route 110. Bethpage State Park, with five golf courses, picnic areas and riding stables, is partially located within the District. Located just north of the District is the State University of New York at Farmingdale that has an enrollment of approximately 8,500.

Form of School Government

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

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

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

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 Procedures

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

On May 17, 2022 majority of voters of the District approved adopted the 2022-2023 proposed budget. On May 16, 2023 majority of voters of the District approved adopted the 2023-2024 proposed budget. Summaries of the District's Adopted Budgets for the 2022-2023 and the 2023-2024 fiscal years may be found in Appendix B, herein.

Enrollment Trends

<u>School Year</u>	<u>Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2018-19	5,540	2023-24	5,059
2019-20	5,523	2024-25	5,034
2020-21	5,311	2025-26	4,988
2021-22	5,251	2026-27	4,939
2022-23	5,127	2027-28	4,889

Source: District Officials.

School Facilities

<u>Name</u>	<u>Type</u>	<u>Years Built</u>	<u>Capacity</u>
Albany Avenue School	K -5	1957, '65	1,250
Northside School	K -5	1961	670
Woodward Parkway School	K -5	1956, '59	1,540
Stanley D. Saltzman East Memorial School	K -5	1961	1,250
Weldon E. Howitt Middle School	6 - 8	1953, '66, '03	3,470
Farmingdale High School	9 - 12	1961	3,100

Source: District Officials.

Employees

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

<u>No. of Employees</u>	<u>Union</u>	<u>Contract Expiration Date</u>
558	Farmingdale Federation of Teachers	6/30/26
27	Farmingdale Assoc. of Administrators & Supervisors	6/30/25
213	Nassau Education Chapter CSEA, Inc. - Clerical & Custodial	6/30/26
221	Nassau Education Chapter CSEA, Inc. - Teacher Aides/School Monitors	6/30/26
41	Cafeteria: Hotel Restaurant Employees, Local 1000, AFL-CIO	6/30/25
14	Nurses Association of Registered Professionals	6/30/25
8	Unaffiliated Central Administration	6/30/25
12	Unaffiliated Non-Instructional	6/30/26

Employee Pension Benefits

New York State Certified employees (teachers and administrators) are members of the New York State Teachers Retirement System (“TRS”). 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% (ERS) or 3.5% (TRS) of their gross annual salary toward the cost of retirement programs.

On December 10, 2009 a new Tier V was signed into law. The law is effective for new ERS and TRS employees hired after January 1, 2010 and on or before April 1, 2012. Tier V ERS employees will contribute 3% of their

salaries and TRS employees will contribute 3.5% of their salaries. There is no provision for these 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 VI for employees hired on or after April 1, 2012. The new pension tier has progressive contribution rates between 3% and 6% with no provision for these contributions to cease after a certain period of service; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under Tier VI, the pension multiplier will be 1.75% for the first 20 years of service and 2% thereafter; vesting will occur after 10 years; the time period for calculation of final average salary is increased from three years to five years; and the amount of overtime to be used to determine an employee's pension is capped at \$15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. It also includes a voluntary, portable, defined contribution plan option for new non-union employees with salaries of \$75,000 or more.

Pension reform legislation enacted in 2003 and 2004 changed the cycle of ERS billing to match budget cycles of the District. The reform legislation also required the District to make a minimum contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would otherwise make a lower contribution possible.

Due to prior poor performance of the investment portfolio of TRS and ERS, the employer contribution rates for required pension contributions to the TRS and ERS in 2011 and certain subsequent years have increased. To help mitigate the impact of such increases, legislation was enacted to permit school districts to amortize a portion of the contributions to the ERS only. Under such legislation, school districts that choose to amortize will be required to set aside and reserve funds with the ERS for certain future rate increases. The District has not and does not reasonably expect to amortize such contributions in the immediate future.

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 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 as described below.

The TRS SCO deferral plan is available to school districts for a total of seven 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 and does not reasonably expect to participate in the ERS or TRS SCO program.

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 reserve fund.

Uncertainty regarding the short, medium and long-term effects of the COVID-19 pandemic has caused periodic volatility across all financial markets, including those markets in which the Retirement System funds are invested.

While State Comptroller DiNapoli has made recent comments that the Common Retirement Fund is well-positioned to withstand current market disruption, the impacts of such volatility on future contribution rates, if any, cannot be known at this time. (See “*Market Factors Affecting Financings of the State and School Districts of the State*” herein for further detail.)

The District’s contributions to ERS and TRS for the last five fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2019	\$2,470,589	\$7,057,396
2020	2,609,418	6,004,579
2021	2,554,129	6,649,018
2022	3,129,579	6,990,605
2023 (Unaudited)	2,198,882	6,949,658
2024 (Budget)	2,770,000	7,600,000

(1) Pending Board approval and subject to change.

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, 2022 was \$299,351,801 using a discount rate of 3.54% and actuarial assumptions and other inputs as described in the District’s June 30, 2022 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

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

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

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

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, 2022 is contained in Appendix B. As reflected in Appendix B, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Impacts of COVID-19

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

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

The District has received \$458,060 funds from the Coronavirus Aid, Relief, and Economic Securities Act of 2020 (the "CARES Act") funds that offset COVID-19 related expenditures due to the pandemic. The District is allocated approximately \$9.2 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 and school building related expenditures to upgrade technology and support all students.

Real Property Taxes

The District derives a major portion of its revenues from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance" in Appendix B herein). Property taxes accounted for 68.9% total general fund revenues for the fiscal year ended June 30, 2022 while State aid accounted for 20.3%.

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

<u>Fiscal Year</u>	<u>Property Taxes</u>		Real Property Taxes to Revenues
	Total Revenues ⁽¹⁾	Real Property Taxes ⁽¹⁾	
2018	\$158,599,866	\$104,270,674	65.7%
2019	163,119,011	108,232,240	66.4
2020	165,463,040	113,053,748	68.3
2021	169,124,988	116,650,729	69.0
2022	173,401,901	119,318,851	68.9
2023(Unaudited) ⁽²⁾	181,430,797	122,191,423	67.3
2024 (Adopted Budget)	194,297,069	136,812,306	70.4

(1) General Fund.

(2) Pending Board approval and subject to change.

Source: Audited and Unaudited Financial Statements and Adopted Budget of the District. See also “*Budgetary Procedure*” herein. Summary itself is not audited.

State Aid

The District receives appropriations from the State of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. While the State has a constitutional duty to maintain and support a system of free common schools that provides a “sound basic education” to children of the State, there can be no assurance that the State appropriation for State aid to Districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the 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, the most recent unaudited fiscal year and the amount budgeted for the current fiscal year.

<u>Fiscal Year</u> <u>Ended June 30:</u>	<u>State Aid</u>		Percentage of Total Revenues Consisting of State Aid
	Total Revenues ⁽¹⁾	Total State Aid	
2018	\$158,599,866	\$32,258,863	20.3%
2019	163,119,011	32,510,369	19.9
2020	165,463,040	31,951,551	19.3
2021	169,124,988	31,586,479	18.7
2022	173,401,901	35,204,557	20.3
2023(Unaudited) ⁽²⁾	181,430,797	39,345,823	21.7
2024 (Adopted Budget)	194,297,069	44,574,439	22.9

(1) General Fund.

(2) Pending Board approval and subject to change.

Source: Audited and unaudited Financial Statements and Adopted Budget of the District. Summary itself is not audited.

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

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

extended period. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to continue to negatively impact the State's economy and financial condition. The use of federal stimulus funds has allowed the State to avoid gap closing measurements; however, the State may be required to implement gap closing measurements in the future. Such actions may include, but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of school districts in the State, including the District.

The State's 2023-24 Enacted Budget provides \$34.5 billion in State funding to school districts for the 2023-24 school year the highest level of State aid ever. This represents a year-to-year funding increase of \$3.1 billion or 10.00%. and includes \$24.1 billion of Foundation Aid which increased 12.8% from 2022-23. The 2023-24 school A-7 year increase in Foundation Aid is to complete the three-year phase-in of full funding of the current Foundation Aid formula.

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

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in adoption of the State budget, which is due at the start of the State's fiscal year of April 1. The State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. The State's 2023-24 Enacted Budget was adopted on May 2, 2023, which was later than in most recent years. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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

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

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

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

Events Affecting New York School Districts

School district fiscal year (2019-2020): For the 2019-20 school year, the State's Enacted Budget includes a total of \$27.9 billion for School Aid, a year-to-year funding increase of approximately \$1.2 billion. The majority of the

increases had been targeted to high need school districts. Expense-based aids to support school construction, pupil transportation, BOCES and special education will continue in full, as is the State's usual practice. Transportation aid will increase by approximately 4.5% and building aid will increase by approximately 3.7%. The State 2019-2020 Enacted Budget continues 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.

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

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

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

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

General Fund Operations

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

Other Revenues

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

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

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

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

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

See the State Comptroller’s official website for more information. 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.

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TAX INFORMATION

Valuations, Tax Levy, Tax Rates and Uncollected Taxes

Assessed Valuation:	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Town of Oyster Bay ¹	\$9,709,874	\$8,176,752	\$8,473,956	\$8,689,993	\$8,713,621
Town of Babylon	<u>13,071,717</u>	<u>13,112,967</u>	<u>13,125,761</u>	<u>13,023,513</u>	<u>12,863,587</u>
Total	\$22,781,591	\$21,289,719	\$21,599,717	\$21,7713,506	\$21,577,208
State Equal. Rates:					
Town of Oyster Bay	0.22%	0.17%	0.17%	0.17%	0.15%
Town of Babylon	1.07%	0.97%	0.91%	0.87%	0.78%
Full Valuation:					
Town of Oyster Bay	\$4,413,579,091	\$4,809,854,118	\$4,984,680,000	\$5,111,760,588	\$5,809,080,667
Town of Babylon	<u>1,221,655,794</u>	<u>1,351,852,268</u>	<u>1,442,391,319</u>	<u>1,496,955,517</u>	<u>1,649,177,821</u>
Total	\$5,635,234,885	\$6,161,706,386	\$6,427,071,319	\$6,808,716,105	\$7,458,258,487
Tax Levy: ²					
Town of Oyster Bay	\$103,165,995	\$104,793,170	\$105,606,193	\$106,967,439	\$109,916,105
Town of Babylon	<u>28,555,812</u>	<u>29,453,052</u>	<u>30,557,764</u>	<u>31,324,921</u>	<u>31,204,800</u>
Total	\$131,721,807	\$134,246,222	\$136,163,957	\$138,292,360	\$141,120,905
Tax Rate Per \$1,000					
Assessed: ²					
Town of Oyster Bay	\$10,624.85	\$12,815.99	\$12,462.44	\$12,309.27	\$12,614.29
Town of Babylon	2,184.55	2,246.10	2,328.08	2,405.26	2,425.82
Uncollected Taxes ³	None	None	None	None	None

¹Nassau County underwent a major reassessment program within the past five years. Reductions in the assessed value of the District is the result of the County's new assessment procedures and has a corresponding impact on tax rates.

²Includes general fund.

³Represents amounts uncollected by the District at the end of each fiscal year. (See "Tax Collection Procedure" herein.)

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, 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, 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.

Tax Collection Procedure

Suffolk County

Real property tax payments are due in two equal installments on December 1 and May 10, with the second half payable without penalty to May 31. Penalties for delinquent tax payments of 1% per month are added until May 31 and 10% per annum after that date.

The Babylon Town Receiver of Taxes collects all real estate taxes for Town, County and District purposes on a single tax bill. The Babylon Town Tax Receiver distributes the collected tax money to both the Town and District prior to distributing the balance collected to the County. The District thereby is assured of 100% tax collections. In June of each year the Town Tax Receiver turns over uncollected items to the County Treasurer who continues the collection of returned items. Responsibility for the collecting of unpaid taxes rests with the County. Uncollected tax liens were in the past sold annually to private citizens who in turn foreclosed on the property subject to the lien. The County has discontinued this practice and intends to foreclose on uncollected tax liens after three years.

Nassau County

In Nassau County, property taxes for the 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 District the amounts collected therefore on the first day of each month from October 1 to June 1. Penalties on unpaid taxes are 1% per month from the date such taxes are due and payable. A 1% discount for prepayment of second half taxes is given if received by November 10. Any such discount is a town charge.

On or before June 1, the town tax receiver files a report of any uncollected District taxes with the County. The County thereafter on or before June 15 pays to each District the amount of its uncollected taxes. Thus, each District should receive its full levy prior to the end of its fiscal year.

Under existing law, the County assumes liability for all tax certiorari refund payments, including any portion of the refund attributable to the reduction in the amount of taxes raised to support Town operations. Historically, the County has not sought reimbursement from the affected District, village or town following the payment of a refund to a taxpayer. However, by local law, the County amended the Administrative Code and the County Charter to eliminate the County guarantee relative to assessment errors. Commencing in 2013, the County sought to end the long-standing practice of paying tax certiorari settlements on behalf of local taxing jurisdictions, including the District. As a result, the District would be required to pay tax certiorari refunds attributable to a reduction in its District tax levy. In response to the adoption of the local law by the County, the Town of North Hempstead, together with a number of Districts, challenged the amendment, arguing amongst other things that the County did not have the ability to amend a State law and that it could not be done without referendum. The lower court dismissed the challenges, and the decision of the lower court was appealed. The Appellate Division ruled unanimously in favor of the town and Districts challenging the local law enacted by the County. The County appealed the decision of the Appellate Division to the Court of Appeals. Recently, the Court of Appeals ruled unanimously that the County did not have the authority to enact the law. As a result, municipalities and Districts, including the District, located in the County will not be required to pay tax certiorari refunds, such refunds will continue to be the responsibility of the County.

As a result of the COVID-19 pandemic, the Governor recently issued an Executive Order which authorizes the County to postpone the tax warrant process by a month. This action will give taxpayers until December 10 (instead of November 10) to pay their property taxes without penalty. As a result, there is likely to be a delay in the receipt of certain taxes collected and paid to school districts in the County. No assurance can be given that similar extensions with respect to the deadlines to pay school district property taxes, without interest or penalty, may occur in the future. Any such extensions may result in a delay in the receipt of taxes collected and paid to school districts.

STAR - School Tax Exemption

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

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

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

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

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

Approximately 8% of the District’s 2022-2023 school tax levy was exempted by the STAR program and the District has received full reimbursement of such exempt taxes from the State. Approximately 8% of the District’s 2023-2024 school tax levy was exempted by the STAR program and the District expects to receive full reimbursement of such exempt taxes from the State in January, 2024. (See “*State Aid*” herein).

Larger Taxpayers for 2022-2023

<u>Name</u>	<u>Type</u>	<u>2022-2023 Assessed Value</u>
Airport Plaza LLC	Retail	\$922,550
Metropolitan Tower Life Ins Co	Retail	388,810
Farmingdale Villas LLC	Apartments	289,770
500 BI-County CW NF LLC	Office	190,910
Long Island Power Auth	Public Utility	169,770
Farmingdale Theaters	Movie Theater	163,000
Public Storage Pickup	Public Storage	148,490
Koehler Family Limited	Retail	136,750
Sovran Acquisition Limited	Public Storage	125,390
		\$2,535,440

Source: Nassau County Assessor’s Office and the Town of Babylon’s 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 (such as the Notes) or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted; indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the period of probable usefulness of the object or purpose determined by statute or the weighted average maturity of the several objects or purposes for which such indebtedness is to be contracted; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the District has authorized the issuance of indebtedness having substantially level or declining annual debt service. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes.

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

Statutory Procedure

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

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

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

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

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

(1) Such obligations are authorized for a purpose for which the School District is not authorized to expend money,

or, (2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations

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

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

It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement. This procedure is not applicable to budget, tax or revenue anticipation notes.

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

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

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

Statutory Debt Limit and Net Indebtedness

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of October 5, 2023.

Full Valuation of Taxable Real Property	<u>\$ 7,458,258,487</u>
Debt Limit....10% thereof.....	745,825,849
Indebtedness: ¹	
Bonds	\$29,475,000
Bond Anticipation Notes.....	0
Less Exclusion for Estimated Building Aid ²	<u>0</u>
Total Net Indebtedness.....	<u>29,475,000</u>
Net Debt-Contracting Margin ³	<u>\$716,350,849</u>

The percent of debt contracting power exhausted is 3.95%.

¹ The Local Finance Law does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the statutory debt limit of the District.

² No deduction has been taken for State aid for building purposes. However, the District receives New York State Building Aid in an approximate amount of 57% of the debt service on its existing indebtedness contracted for school building purposes pursuant to Section 121.20 of the Local Finance Law. A fundamental reform of building aid was enacted as Chapter 383 of the Laws of 2001. The provisions legislated, among other things, a new "assumed amortization" payout schedule for future debt service aid payments based on an annual "average interest rate" and mandatory periods of probable usefulness with respect to the allocation of building aid. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, *no assurance can be given as to when and how much building aid the District will receive.* (See "State Aid" herein.)

³ Does not include reduction for outstanding installment purchase debt, which while not debt, does count towards the debt limit.

Trend of Outstanding Indebtedness

Direct Capital Indebtedness Outstanding

As of June 30:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023⁽¹⁾</u>
Bonds	\$4,280,000	\$ 2,175,000	\$32,485,000	\$31,865,000	\$30,700,000
Bond Anticipation Notes	<u>0</u>	<u>17,810,252</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	<u>\$4,280,000</u>	<u>\$19,985,252</u>	<u>\$32,485,000</u>	<u>\$31,865,000</u>	<u>\$30,700,000</u>

(1) Unaudited Financial Statement; Pending Board approval and subject to change.

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

Bond Anticipation Notes

The District has no bond anticipation notes currently outstanding.

Revenue and Tax Anticipation Notes

The District has not found the need to issue RANs or TANs or budget notes or deficiency notes during the past five years. Following the issuance of the Notes, the District will have an outstanding \$10,000,000 Tax Anticipation Note, 2023 which matures on June 21, 2024.

Authorized and Unissued Indebtedness

The District does not currently have any authorized but unissued debt.

Direct and Overlapping 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>Unit</u>	<u>Total Net Indebtedness</u>	<u>As of:</u>	<u>District's Share</u>	<u>Applicable Net Indebtedness</u>
County of:				
Nassau	\$2,971,133,000	03/31/23	2.00%	\$59,422,660
Suffolk	1,191,820,354	04/30/23	0.44%	5,244,010
Town of:				
Oyster Bay	522,463,339	08/02/23	7.61%	39,759,460
Babylon	169,175,000	12/31/22	5.68%	9,609,140
Village of				
Farmingdale	\$9,261,347	09/05/23	100%	<u>9,261,347</u>
			Total	<u>\$123,296,617</u>

Source: Data provided by County and Town Officials.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of October 5, 2023.

	<u>Amount</u>	<u>Per Capita¹</u>	<u>Percentage of Full Value²</u>
Net Direct Debt	\$29,475,000	\$715.48	0.40%
Net Direct and Overlapping Debt	152,771,617	3,708.41	2.05

¹The estimated population of the District is 41,196.

²The District's full value of taxable real estate for 2023-24 is \$7,458,258,487.

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Long-Term Debt Service Schedule

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

Ending June 30th	Principal	Interest	Principal and Interest
2024	\$1,225,000	\$916,225	\$2,141,225
2025	1,285,000	853,475	2,138,475
2026	1,350,000	787,600	2,137,600
2027	1,410,000	718,600	2,128,600
2028	1,485,000	646,225	2,131,225
2029	1,560,000	570,100	2,130,100
2030	1,635,000	490,225	2,125,225
2031	1,695,000	423,925	2,118,925
2032	1,740,000	372,400	2,112,400
2033	1,780,000	328,500	2,108,500
2034	1,820,000	292,500	2,112,500
2035	1,850,000	255,800	2,105,800
2036	1,885,000	218,450	2,103,450
2037	1,925,000	180,350	2,105,350
2038	1,965,000	141,450	2,106,450
2039	2,000,000	101,800	2,101,800
2040	2,030,000	61,500	2,091,500
2041	2,060,000	20,600	2,080,600
Totals	<u>\$30,700,000</u>	<u>\$7,379,725</u>	<u>\$38,079,725</u>

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

Installment Purchase Debt

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

<u>Description of Issue</u>	<u>Issue Year</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding at October 5, 2023</u>
Energy Performance Contract	2015	2031	2.41%	\$8,757,142
Energy Performance Contract	2023	2038	3.58%	<u>11,168,109</u>
			Total:	<u>\$19,925,251</u>

ECONOMIC AND DEMOGRAPHIC DATA

Population

The District estimates its population to be approximately 41,196. The following table presents population trends for the Town, County and State, based upon recent census data. Data provided in the following table is not necessarily representative of the District.

	<u>Population Trend</u>		<u>Percentage Change</u>
	<u>2010</u>	<u>2020</u>	<u>2010/2020</u>
Town of Oyster Bay	293,608	301,332	2.7%
Town of Babylon	213,603	218,223	2.2%
County of Nassau	1,339,532	1,395,774	4.2
County of Suffolk	1,493,350	1,525,920	2.2
State	19,378,102	20,201,249	4.2

Source: New York State Department of Economic Development. State Data Center.

Income

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

	<u>Median Family Income</u>		
	<u>2010</u>	<u>2020</u>	<u>% Change 2010/2020</u>
Town of Oyster Bay	\$119,937	\$164,851	37.4%
Town of Babylon	88,119	116,681	32.4
County of Nassau	104,934	148,460	41.5
County of Suffolk	96,220	132,580	37.8
State	67,045	87,270	29.5

Source: 2000 and 2019 U.S. Census.

Employment and Unemployment

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

	<u>Civilian Labor Force</u>				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Town of Oyster Bay	159,600	161,000	157,100	157,900	161,000
Town of Babylon	113,700	114,600	113,800	113,200	115,000
County of Nassau	722,200	728,000	714,400	716,400	729,500
County of Suffolk	793,700	798,400	783,500	785,300	800,800
State	9,826,100	9,854,000	9,580,000	9,557,900	9,617,000

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

Yearly Average Unemployment Rates

<u>Year</u>	<u>Town Oyster Bay</u>	<u>Town of Babylon</u>	<u>County of Nassau</u>	<u>County of Suffolk</u>	<u>State</u>
2018	3.3%	4.0%	3.5%	3.8%	4.1%
2019	3.1	3.7	3.3	3.5	3.9
2020	7.5	9.4	8.0	8.1	9.8
2021	4.1	5.2	4.5	4.6	7.0
2022	2.7	3.4	2.9	3.1	4.3

Monthly Unemployment Rates

<u>Month</u>	<u>Town Oyster Bay</u>	<u>Town of Babylon</u>	<u>County of Nassau</u>	<u>County of Suffolk</u>	<u>State</u>
September 2022	2.5%	3.2%	2.6%	3.4%	3.6%
October	2.3	2.9	2.5	3.5	3.7
November	2.4	3.0	2.6	2.8	3.8
December	2.3	3.0	2.5	2.7	3.8
January 2023	2.9	3.8	3.2	3.7	4.6
February	2.8	3.6	3.0	3.5	4.5
March	2.5	3.3	2.7	3.1	4.0
April	2.1	2.8	2.2	2.4	3.7
May	2.5	3.2	2.6	2.8	3.8
June	2.7	3.3	2.8	2.9	4.2
July	2.7	3.5	2.9	3.1	4.1
August	3.1	4.0	3.2	3.5	4.4

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

END OF APPENDIX A

APPENDIX B

FINANCIAL STATEMENT SUMMARIES

Farmingdale Union Free School District
General Fund
Statement of Revenues, Expenditures and Fund Balance

Year Ended June 30:	2019	2020	2021	2022	2023 ⁽¹⁾
REVENUES					
Real Property Taxes	\$108,232,240	\$113,053,748	\$116,650,729	\$119,318,851	\$122,191,423
Other Tax Items	19,457,959	17,829,183	17,367,553	16,794,379	16,432,095
Charges for Services	1,010,127	721,981	354,919	425,703	849,870
Intergovernmental Revenue	494,853	609,217	742,494	372,845	591,407
Use of Money and Property	265,648	238,555	134,900	141,665	608,196
State Sources	32,510,369	31,951,551	31,586,479	35,204,557	39,345,823
Federal Sources	114,931	330,422	712,433	297,489	381,174
Insurance Recoveries	101,437	132,292	782,452	45,759	275,574
Miscellaneous	931,447	596,091	793,029	800,653	755,235
Total Revenues	163,119,011	165,463,040	169,124,988	173,401,901	181,430,797
EXPENDITURES					
General Support	17,961,122	18,087,659	17,250,721	18,604,170	20,255,950
Instruction	93,326,403	93,433,895	94,748,903	99,104,372	101,085,087
Pupil Transportation	8,661,941	7,350,046	9,498,299	9,261,679	8,939,580
Community Services	7,400	18,550	15,077	7,790	8,050
Employee Benefits	39,446,808	40,197,094	39,411,362	42,226,629	44,649,477
Debt Service	3,543,322	3,539,671	3,866,912	4,460,725	4,546,691
Total Expenditures	162,946,996	162,626,915	164,791,274	173,665,365	179,484,835
Excess (Deficiency) of Revenues Over Expenditures	172,015	2,836,125	4,333,714	(263,464)	1,945,962
Other Financing Sources (Uses):					
Proceeds from Issuance of Leases	0	0	0	2,122,334	1,280,787
Operating Transfers Net(In)	2,226,273	0	0	0	2,665,229
Operating Transfers Net(Out)	(1,347,355)	(2,004,314)	(6,885,613)	(7,307,236)	(1,927,765)
Total Other Financing Sources	878,918	(2,004,314)	(6,885,613)	(5,184,902)	2,018,251
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	1,050,933	831,811	(2,551,899)	(5,448,366)	3,964,213
Fund Balances (Deficits) -					
Beginning of Year	34,748,781	35,799,714	36,631,525	34,079,626	28,631,260
Other Changes in Fund Equity	0	0	0	0	0
Fund Balances - End of Year	\$35,799,714	\$36,631,525	\$34,079,626	\$28,631,260	\$32,595,473

(1) Unaudited; Pending Board approval and subject to change.

Source: Information for this appendix has been extracted from the audited financial statements of the Farmingdale Union Free School District. This summary itself has not been audited. Reference should be made to the complete audit reports on file at the District office.

**Farmingdale Union Free School District
General Fund
Adopted Budgets**

	2022-2023	2023-2024
	Adopted	Adopted
	Budget (1)	Budget (2)
<u>REVENUES</u>		
Real Property Taxes	\$133,739,443	\$136,812,306
Revenues from State Sources	37,793,679	44,574,439
Other Revenues	6,359,228	7,910,324
Appropriated Fund Balance & Reserves	5,000,000	5,000,000
 Total Revenues	 \$182,892,350	 \$194,297,069
 <u>EXPENDITURES</u>		
General Support	\$19,396,496	\$21,975,755
Instruction	102,572,813	106,643,029
Pupil Transportation	10,381,357	10,741,369
Community Services	8,300	5,000
Employee Benefits	45,039,087	49,387,369
Interfund Transfers	1,900,000	1,950,000
Debt Service	3,594,297	3,594,547
 Total Expenditures	 \$182,892,350	 \$194,297,069

(1) The budget for the 2022-2023 fiscal year was approved by voters of the District on May 17, 2022.

(2) The budget for the 2022-2023 fiscal year was approved by voters of the District on May 16, 2023.

Source: Adopted budget of the Farmingdale Union Free School District.

**Farmingdale Union Free School District
General Fund
Balance Sheet Statement**

As of June 30:	2022	2023 ⁽¹⁾
<u>ASSETS</u>		
Unrestricted Cash	\$22,459,240	\$9,919,915
Restricted Cash	15,355,664	19,015,498
Restricted Investments	0	10,051,012
State and Federal Aid Receivable	2,599,191	2,604,943
Taxes	2,233,480	1,698,273
Due from Other Funds	4,080,458	4,093,751
Leases	149,470	74,862
Other Receivables	613,277	990,471
Prepaid Expenditures	48,974	113,654
Deferred Outflows	0	0
Other Assets	306,383	299,443
TOTAL ASSETS	\$47,846,137	\$48,861,822
<u>LIABILITIES</u>		
Accounts Payable	\$4,410,692	\$3,860,038
Accrued Liabilities	2,975,854	1,349,438
Due to Other Funds	2,716,222	834,771
Due to Other Governments	0	0
Due to Teachers' Retirement System	7,538,763	8,273,289
Due to Employees' Retirement System	578,094	634,736
Driver's Education Fees	49,590	44,232
Foster Tuition	299,728	284,050
Cash Surrender Value of Life Ins. Contracts	291,365	340,744
Property Tax	0	299,465
Deferred Revenues	149,470	74,862
Worker's Compensation Claims Payable	21,432	12,518
Compensated Absences	183,667	258,206
TOTAL LIABILITIES	19,214,877	16,266,349
<u>FUND BALANCE</u>		
Fund Balance:		
Nonspendable	48,974	113,654
Restricted	15,355,664	19,015,498
Assigned	5,959,901	5,694,438
Unassigned	7,266,721	7,771,883
TOTAL FUND EQUITY	28,631,260	32,595,473
TOTAL LIABILITIES AND FUND EQUITY	\$47,846,137	\$48,861,822

(1) Unaudited; Pending Board approval and subject to change.

Source: Information for this appendix has been extracted from the audited financial statements of the Farmingdale Union Free School District. This summary itself has not been audited. Reference should be made to the complete audit reports on file at the District office.

APPENDIX C

CASH FLOW STATEMENTS

2022-2023 Cash Flow

2022-2023 Monthly Cash Flow

Actual

(000's omitted)

	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Total
Balance (beg. of month)(1)	10,149	1,358	804	7,339	5,358	27,430	11,846	27,988	15,896	14,041	9,717	21,127	10,149
Receipts:													
Property Taxes(2)	577	0	1,633	7,500	37,000	714	16,348	953	1,029	11,904	36,453	17,839	131,950
STAR Payments	0	0	0	0	0	0	11,730	0	0	0	0	0	11,730
State Aid	0	773	7,001	356	411	2,883	228	228	16,281	0	0	3,486	31,647
Other Districts	0	0	0	0	0	0	0	0	0	0	0	0	0
Tuitions	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers	0	4,000	13,000	5,000	0	0	0	0	0	0	0	0	22,000
Other Receipts	721	355	528	503	124	700	3,155	444	1,941	72	599	1,420	10,562
TAN Proceeds	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Receipts	1,298	5,128	22,162	13,359	37,535	4,297	31,461	1,625	19,251	11,976	37,052	22,745	207,889
Balance and Receipts	11,447	6,486	22,966	20,698	42,893	31,727	43,307	29,613	35,147	26,017	46,769	43,872	218,038
Disbursements:													
Salaries & Benefits	3,911	4,016	10,430	10,818	10,455	12,217	10,773	10,947	11,209	10,849	11,202	21,516	128,343
Operating Expenses	6,178	1,666	2,679	2,522	4,708	4,823	4,046	2,520	6,058	4,951	3,486	3,109	46,746
Debt Service	0	0	1,668	0	0	642	0	0	473	0	0	642	3,425
Transfers	0	0	850	2,000	300	300	500	250	3,366	500	10,954	350	19,370
ERS Payment	0	0	0	0	0	1,899	0	0	0	0	0	0	1,899
TAN Set Aside	0	0	0	0	0	0	0	0	0	0	0	0	0
TAN Interest	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Disbursements	10,089	5,682	15,627	15,340	15,463	19,881	15,319	13,717	21,106	16,300	25,642	25,617	199,783
Balance (end of month)	1,358	804	7,339	5,358	27,430	11,846	27,988	15,896	14,041	9,717	21,127	18,255	18,255
TAN Set Aside (Payment)													
Balance	0	0	0	0	0	0	0	0	0	0	0	0	0
Receipts	0	0	0	0	0	0	0	0	0	0	0	0	0
Disbursements	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance	0	0	0	0	0	0	0	0	0	0	0	0	0

(1) Includes \$6,000,000 in restricted reserves.

(2) Property Taxes received in July and September are for the prior year.

Source: Farmingdale Union Free School District.

2023-2024 Cash Flow

2023-2024 Monthly Cash Flow
 Projected
 (000's omitted)

	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Total
Balance (beg. of month)(1)	18,255	10,468	5,829	2,681	4,841	26,922	9,662	28,626	14,608	11,341	7,446	28,305	18,255
Receipts:													
Property Taxes(2)	0	0	1,647	7,500	37,245	715	16,350	955	1,030	11,905	36,500	17,850	131,697
STAR Payments	0	0	0	0	0	0	11,700	0	0	0	0	0	11,700
State Aid	0	1,148	616	0	0	0	6,233	227	12,999	0	0	0	21,223
Other Districts	0	0	0	0	0	0	0	0	0	0	0	0	0
Tuitions	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers	0	2,800	10,660	0	0	0	0	0	0	0	0	0	13,460
Other Receipts	704	284	173	0	0	0	0	0	0	0	0	0	1,161
TAN Proceeds	0	0	0	10,000	0	0	0	0	0	0	0	0	10,000
Total Receipts	704	4,232	13,096	17,500	37,245	715	34,283	1,182	14,029	11,905	36,500	17,850	189,241
Balance and Receipts	18,959	14,700	18,925	20,181	42,086	27,637	43,945	29,808	28,637	23,246	43,946	46,155	207,496
Disbursements:													
Salaries & Benefits	4,480	2,370	11,146	11,200	10,970	11,000	11,000	11,200	11,500	11,100	11,400	22,000	129,366
Operating Expenses	4,011	3,191	3,000	4,140	4,194	6,227	4,319	4,000	5,353	4,700	4,241	2,875	50,251
Debt Service	0	0	1,698	0	0	748	0	0	443	0	0	742	3,631
Transfers	0	3,310	400	0	0	0	0	0	0	0	0	0	3,710
TAN Set Aside	0	0	0	0	0	0	0	0	0	0	0	10,000	10,000
TAN Interest Repay	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Disbursements	8,491	8,871	16,244	15,340	15,164	17,975	15,319	15,200	17,296	15,800	15,641	35,617	196,958
Balance (end of month)	10,468	5,829	2,681	4,841	26,922	9,662	28,626	14,608	11,341	7,446	28,305	10,538	10,538
TAN Set Aside (Payment)													
Balance	0	0	0	0	0	0	0	0	0	0	0	0	-
Receipts	0	0	0	0	0	0	0	0	0	0	0	10,000	10,000
Disbursements	0	0	0	0	0	0	0	0	0	0	0	10,000	10,000
Balance	0	0	0	0	0	0	0	0	0	0	0	0	-

(1) Includes approximately \$6,000,000 in restricted reserves.

(2) Property Taxes received in September are for the prior year.

Source: Farmingdale Union Free School District.

APPENDIX D

**AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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/P11684971.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. Nawrocki Smith has not been requested by the District to further review and/or update
such Financial Statements or opinion in connection with the preparation and dissemination of this
Official Statement.**

APPENDIX E

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

vmOctober 26, 2023

Farmingdale Union Free School District,
Nassau and Suffolk Counties,
State of New York

Re:Farmingdale Union Free School District, Nassau and Suffolk Counties, New York
\$10,000,000 Tax Anticipation Notes, 2023

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of \$10,000,000 Tax Anticipation Notes, 2023 (the "Obligations"), of the Farmingdale Union Free School District, in Nassau and Suffolk Counties, State of New York (the "Obligor"), dated October 26, 2023, and maturing June 21, 2024, numbered __, of the denomination of \$ _____, bearing interest at the rate of _____% (per annum).

We have examined:

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

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

In our opinion:

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

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

- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that, for tax years beginning after December 31, 2022, interest on the Obligations included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

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

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

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

Very truly yours,

/s/ORRICK, HERRINGTON & SUTCLIFFE LLP