

NEW ISSUES

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds 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 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Bonds 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 Bonds 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 Bonds. See “TAX MATTERS” herein.

The District WILL designate the Bonds as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986.

**DOVER UNION FREE SCHOOL DISTRICT
DUTCHESS COUNTY, NEW YORK**

\$3,207,739*
SCHOOL DISTRICT (SERIAL) BONDS, 2024
(the “Bonds”)

Dated Date: Date of Delivery

Maturity Dates: December 1, 2026-2040

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

The Bonds are dated their Date of Delivery and will bear interest from that date until maturity at the annual rate or rates as specified by the purchaser of the Bonds, payable on December 1, 2025, June 1, 2025, and semiannually thereafter on June 1 and December 1 in each year until maturity. The Bonds shall mature on December 1 each year in the principal amounts specified on the inside cover page hereof. The Bonds will be subject to optional redemption prior to maturity as described herein (see “Optional Redemption”).

The Bonds will be issued as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, Jersey City, New Jersey (“DTC”). DTC will act as securities depository for the Bonds issued in book-entry-only form. Individual purchases may be made in book-entry form only, in principal amounts of \$5,000 or integral multiples thereof, except for one necessary odd denomination in the first maturity of \$7,739. Purchasers will not receive certificates representing their interest in the Bonds. Payment of the principal of and interest on the Bonds 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 the Bonds as described herein. (See “DESCRIPTION OF BOOK-ENTRY SYSTEM” herein.)

The Bonds are offered when, as and if issued and received by the purchaser and subject to the receipt of the respective final approving opinion of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. Capital Markets Advisors, LLC has served as Municipal Advisor to the District in connection with the issuance of the Bonds. It is anticipated that the Bonds will be available for delivery through the offices of DTC on or about December 18, 2024.

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 AS DESCRIBED IN THE RULE, SEE “DISCLOSURE UNDERTAKING” HEREIN.

Dated: December __, 2024

*Preliminary, subject to change.

The Bonds will mature, subject to optional redemption, on December 1 in the following years and principal amounts:

<u>Year</u>	<u>Principal Amount*</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP***</u>	<u>Year</u>	<u>Principal Amount*</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP***</u>
2026	\$162,739				2034**	\$220,000			
2027	170,000				2035**	225,000			
2028	175,000				2036**	235,000			
2029	180,000				2037**	245,000			
2030	190,000				2038**	255,000			
2031	195,000				2039**	265,000			
2032	205,000				2040**	275,000			
2033**	210,000								

* The principal amounts of the Bonds are subject to adjustment following the sale of the Bonds, pursuant to the terms of the accompanying Notice of Bond Sale.

** The Bonds maturing in the years 2033 through 2040, inclusive, are subject to optional redemption prior to maturity as described herein. (See “*Optional Redemption*” herein.)

*** CUSIP numbers have been assigned by an independent company not affiliated with the District and are included solely for the convenience of the holders of the Bonds. The District is not responsible for the selection or uses of these CUSIP numbers and no representation is made as to their correctness on the Bonds or as indicated above.

**DOVER UNION FREE SCHOOL DISTRICT
DUTCHESS COUNTY, NEW YORK**

Board of Education

Patricia HammondPresident
Joseph Tchorzyk Vice President
Tami BurnsTrustee
Philip CalabroTrustee
Suzanne Calligan-CourtienTrustee
Erin McCarthyTrustee
Natasha MerrittTrustee
Paul PalmerTrustee
Douglas SchroederTrustee

David Fine Superintendent of Schools
Christopher Prill Assistant Superintendent for Business Affairs
Nicole WilkinsonDistrict Clerk

BOND COUNSEL

**ORRICK, HERRINGTON & SUTCLIFFE LLP
New York, New York**

MUNICIPAL ADVISOR

**CAPITAL MARKETS ADVISORS, LLC
Long Island * Western New York
(516) 274-4503**

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

DOVER UNION FREE SCHOOL DISTRICT DUTCHESS COUNTY, NEW YORK

relating to

\$3,207,739*

SCHOOL DISTRICT (SERIAL) BONDS, 2024 (the "Bonds")

This Official Statement, including the cover page, inside cover page and appendix hereto, presents certain information relating to the Dover Union Free School District, Dutchess County, State of New York (the "District," "County" and "State," respectively) in connection with the sale of \$3,207,739* School District (Serial) Bonds, 2024 (the "Bonds").

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

THE BONDS

Description

The Bonds are dated their Date of Delivery and will bear interest from that date until maturity, payable on December 1, 2025, June 1, 2025, and semiannually thereafter on December 1 and June 1 in each year until maturity. The Bonds shall mature on December 1 each year in the principal amounts specified on the inside cover page hereof. The Bonds are subject to optional redemption prior to maturity as described herein.

The record date for the Bonds will be the close of business on the fifteenth day of the month preceding each interest payment date.

Authority for and Purpose of the Bonds

The Bonds shall be issued pursuant to the Constitution and the Laws of the State, and a bond resolution duly adopted by the District's Board of Education on July 20, 2022 authorizing the issuance of \$6,711,129 serial bonds to finance a portion of the cost of the construction of improvements to various school facilities. The proceeds of the sale will be used to provide additional financing for the project.

Optional Redemption

The Bonds maturing on or before December 1, 2032 are not subject to redemption prior to their stated maturity. The Bonds maturing on or after December 1, 2033 will be subject to redemption prior to maturity, at the option of the District, on any date on or after December 1, 2032, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

The District may select the maturities of the Bonds to be redeemed and the amount to be redeemed of each maturity selected, as the District shall determine to be in the best interest of the District at the time of such redemption. If less than all of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be

* Preliminary, subject to change.

selected by the District by lot in any customary manner of selection as determined by the District. Notice of such call for redemption shall be given by mailing such notice to the registered owner not less than thirty (30) days nor more than sixty (60) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date of redemption set forth in such call for redemption, become due and payable, together with accrued interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

Nature of Obligation

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

Holders of any series of bonds or notes of the 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 Bonds will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the District has power and statutory authorization to levy ad valorem taxes on all real property within the District, subject to applicable statutory limitations.

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 New York New York Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds 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 Limitation Law imposes a statutory limitation on the District’s power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See “Tax Levy Limitation 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 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 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 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, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

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

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

each paying agent an amount in the proportion that the amount of such bonds in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds pursuant to said Section 99-b.

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

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 District may not be enforced by levy and execution against property owned by the District.

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

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

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

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

Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law. The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an "emergency financial control board" for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in the county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law ("Title 6-A") effectively prohibits the doing of any act for ninety days in the payment of claims against the municipality, including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory

provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which, upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such “additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder.” Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims, including debt service due or overdue, must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a “material change in circumstances” the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining of creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in Title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the appellate division in the judicial department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment or appealed from and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the Flushing National Bank case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

Fiscal Stress and State Emergency Financial Control Boards. Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature, the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities, and is authorized to offer grants and/or loans of up to \$5,000,000 through a Local

Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid. The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene such as the public benefit corporations established by special acts as described above.

School districts and fire districts are not eligible for FRB assistance.

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.

Default Litigation. In prior years, certain events and legislation affecting a holder’s remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of noteholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State, require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See “Nature of Obligation” and “State Debt Moratorium Law” herein.

No Past Due Debt

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

DESCRIPTION OF BOOK-ENTRY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of the Bonds and will be deposited with DTC.

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

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

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

Redemption notices shall be sent to DTC. If less than all of the Bonds 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.

Principal and interest payments on the Bonds 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 principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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

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

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

RISK FACTORS

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

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

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

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

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State

budget, the impact to the State’s economy and financial condition due to the COVID-19 outbreak and other circumstances, including State fiscal stress. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. (See “State Aid” and “Events Affecting New York School Districts” herein).

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

CYBERSECURITY

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

LITIGATION

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

TAX MATTERS

Opinion of Bond Counsel

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

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), 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 Bonds 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 Bonds is the first price at which a substantial amount of such maturity of the Bonds 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 Bonds accrues daily over the term to maturity of such Bonds 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 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds 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 Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, 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 Bond, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

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

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

Although Bond Counsel is of the opinion that interest on the Bonds 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 Bonds 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 Bonds 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 Bonds. Prospective purchasers of the Bonds 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 Bonds 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 Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the owners regarding the tax-exempt status of the Bonds 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 bonds 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 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the District or the owners to incur significant expense.

Payments on the Bonds 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 Bonds may be subject to backup withholding with respect to “reportable payments,” which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. 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 Bonds are subject to the respective approving legal opinion of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. Bond Counsel’s opinion will be in substantially the form attached hereto as Appendix D.

DISCLOSURE UNDERTAKING

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

(1) to the Electronic Municipal Market Access (“EMMA”) system of the Municipal Securities Rulemaking Board (“MSRB”) or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the final Official Statement anticipated to be dated December 3, 2024 of the District relating to the Bonds under the headings “LITIGATION” and in Appendix A under the headings “THE DISTRICT”, “FINANCIAL FACTORS”, “TAX INFORMATION”, and “DISTRICT INDEBTEDNESS” and Appendix B by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending June 30, 2025, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending June 30, 2025; such audit (prepared in accordance with the accounting principles the District may be required to employ pursuant to State law or regulation), if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the District of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the District of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;

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

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

consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a “financial obligation” (as defined in the Rule) of the District, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation, any of which affect security holders, if material; (xvi) default, event of acceleration, termination event, modification of terms or other similar events under a financial obligation of the District, if any such event reflects financial difficulties.

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

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

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

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

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

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

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

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

MUNICIPAL ADVISOR

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

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement. The Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the District to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is not a law firm and does not provide legal advice

with respect to this or any debt offerings of the District. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds.

RATING

The District has applied to Standard & Poor's Ratings Services ("S&P") for a rating on the Bonds. Such rating is pending at this time.

On July 29, 2022, S&P applied its "AA-/Stable" credit rating to the District's outstanding general obligation bonds.

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: Standard & Poor's Ratings Services, 55 Water Street, New York, NY 10041. There can be no assurance that such rating will continue for any specified period of time or that such rating will not be revised or withdrawn, if in the judgment of 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.

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 District management's beliefs as well as assumptions made by, and information currently available to, the District management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District files with the repositories. When used in District documents or oral presentation, the words "anticipate", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will, or "should", or similar words or phrases are intended to identify forward-looking statements.

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

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

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

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

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

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

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

Additional information may be obtained upon request from Capital Markets Advisors, LLC at (516) 274-4503 or from the District's Assistant Superintendent for Business Affairs at (845) 877-5700 ext1281.

DOVER UNION FREE SCHOOL DISTRICT

By: _____
Patricia Hammond
President of the Board of Education

DATED: December __, 2024

APPENDIX A
THE DISTRICT

THE DISTRICT

General Information

The District was created in 1908 and encompasses approximately 66 square miles in the eastern portion of the County bordering the State of Connecticut. The District has a 2024-25 student enrollment of 1,322 pupils in three school buildings, according to District officials.

The character of the District is rural residential with some commercial and agricultural activity. Although the majority of homes within the District are single-family residences there are several large mobile home parks in the District. The State is the major employer in the District while International Business Machines Corporation (“IBM”) is the largest employer in the County.

According to interim information obtained from the US Census Bureau, total population for the District in 2022 was estimated to be approximately 9,422. Per capita income and median household income in the Town of Dover (the “Town”) was estimated to be \$42,037 and \$90,818 in 2022, respectively. For comparative purposes, the per capita income in 2022 for County residents was \$49,379 and \$47,173 for State residents. The median household income in 2022 for County and State residents was \$94,579 and \$81,386, respectively.

Residents of the District receive their basic municipal services from the towns making up the District. The County is responsible for various other services.

District Organization

The District is an independent entity governed by an elected board of education comprised of nine members. District operations are subject to the provisions of the State Education Law affecting school districts and other statutes applicable to the District.

Members of the Board of Education are chosen on a rotating basis by qualified voters at the annual election of the District (held on the 3rd Tuesday of May). The term of office for each board member is 5 years and the number of terms that may be served is unrestricted. A president is selected by the board from its members and also serves as the chief fiscal officer of the District. The Board of Education is vested with various powers and duties as set forth in the Education Law. Among these are the adoption of annual budgets (subject to voter approval), the levy of real property taxes for the support of education, the appointment of such employees as may be necessary, and other such duties reasonably required to fulfill the responsibilities provided by law.

The Board of Education appoints the Superintendent of Schools who serves at the pleasure of the Board. Such Superintendent is the chief executive officer of the District and the education system and is an ex-officio member of the Board of Education with the right to speak on all matters before the Board but not to vote. It is the responsibility of the superintendent to enforce all provisions of law and all rules and regulations relating to the management of the schools and other educational, social and recreational activities under the direction of the Board of Education. Certain of the financial functions of the District are the responsibility of the Superintendent of Schools and the Assistant Superintendent for Business Affairs.

Financial Organization

Pursuant to the Local Finance Law, the President of the Board of Education is the Chief Fiscal Officer of the District. However, certain of the financial functions of the District are the responsibility of the Superintendent of Schools, the Assistant Superintendent for Business Affairs, the District Clerk, and the District Treasurer.

Financial Reporting and Summary of Significant Accounting Policies

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

Budgetary Procedure

Pursuant to the Education Law, the District's Board of Education generally prepares or causes to be prepared a budget for the ensuing fiscal year. The budget consists of three parts: program, administration, and capital. During November and December, the tentative budget is developed and refined in consultation with school administrators. At the March and April meetings of the Board of Education, the proposed budget is discussed and further refined. The tentative budget is adopted by the Board at its April meeting and submitted to referendum at the Annual Meeting held on the third Tuesday of May. Residents of the District who are qualified to vote may participate in the referendum. Prior to the Annual Meeting a public hearing on the proposed budget is held.

The District's budget is subject to the provisions of Chapter 97 of the Laws of 2011, 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 "Tax Levy Limitation Law," herein.) The District has not exceeded the limitations of the tax cap since it was instituted.

Budget Summaries. On May 21, 2024, a majority of the voters of the District approved the District's budget for the 2024-2025 fiscal year. A summary of the District's Adopted Budgets for 2023-24 and 2024-25 fiscal years may be found hereto in Appendix B.

District Facilities

The District presently operate two elementary schools and a middle/senior high school building. A fourth school building is leased to a non-profit organization. Certain information on the school buildings is provided in the following chart.

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Original Construction</u>	<u>Addition or Renovation</u>
Dover Elementary School	3-5	384	1908	1912,1935,1937,1947, 1973,1997
Wingdale Elementary School	K-2	486	1975	1994,2001
Middle-Senior High School	6-12	<u>884</u>	1963	1969,1998
Total State Rated Capacity		<u><u>1,754</u></u>		

Source: District Officials.

Student Enrollment Trends

<u>Fiscal Year Ended June 30:</u>	<u>Actual Enrollments⁽¹⁾</u>	<u>Fiscal Year Ending June 30:</u>	<u>Projected Enrollments⁽¹⁾</u>
2021	1,325	2026	1,295
2022	1,331	2027	1,240
2023	1,316	2028	1,214
2024	1,304	2029	1,186
2025	1,322	2030	1,165

(1) Enrollment inclusive of K (half day and full day) through 12.

Source: District Officials.

District Employees

The District provides services through approximately 285 full and part-time employees of which 270 are represented by the following collective bargaining units.

<u>Number of Employees</u>	<u>Organization</u>	<u>Contract Expiration Date</u>
4	Nurses	06-30-28
53	Civil Service Employee Assoc. - Reg.	06-30-27
53	Para Professionals	06-30-28
152	Dover Wingdale Teachers Association	06-30-27
8	Dover Administrators Association	06-30-28
15	Non-Unit	NA

Source: District Officials.

Employee 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% 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, then 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; As of April 9, 2022, Tier 5 and 6 members only need five years of service credit to be vested. This affects members of both ERS and PFRS. Previously, Tier 5 and 6 members needed 10 years of service to be eligible for a service retirement benefit; 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 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 District has decided not to participate in the TRS or ERS SCO deferral plans and has no expectation of participating in such plans in the foreseeable future.

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 an ERS & TRS reserve with balances of \$429,031 and \$1,510,722, respectively, for the fiscal year ended June 30, 2024.

Retirement Billing Procedures

TRS. TRS contributions are paid as a reduction in State aid payments due September 15, October 15, and November 15 of the succeeding fiscal year. Any deficiency or excess in TRS contributions are settled on a current basis in the month of January.

ERS. The District’s contributions to ERS are due on or before February 1. Such contributions are based on salary estimates for the State fiscal year ending on March 31 of the next calendar year.

For the last five audited fiscal years ended June 30, 2020 through 2024, inclusive, and as budgeted for 2024-2025, the District’s contributions to TRS and ERS were as follows:

Fiscal Year Ended June 30	TRS	ERS
2020	\$1,331,588	\$382,198
2021	1,129,839	380,540
2022	1,240,950	437,958
2023	1,500,185	309,335
2024	1,540,470	377,372
2025 (Budget)	1,771,292	514,436

Source: The Audited Financial Statements (2019-2023) and Adopted Budgets of the District (2023-2024). Table itself not audited.

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, 2024 was \$49,657,182 using a discount rate of 4.0% and actuarial assumptions and other inputs as described in the District's June 30, 2024 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. The proposed legislation would authorize the creation of irrevocable OPEB trusts so that the State and its local governments can help fund their OPEB liabilities, establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments, designate the president of the Civil Service Commission as the trustee of the State's OPEB trust and the governing boards as trustee for local governments and allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established. Under the proposed legislation, there would be no limits on how much a local government can deposit into the trust. The District cannot predict whether such legislation will be enacted into law in the foreseeable future.

Investment Policy

Pursuant to Section 39 of the State's General Municipal Law, the District has adopted an investment policy applicable to the investment of all moneys and financial resources of the District. The responsibility for the investment program has been delegated by the Board of Education to the Assistant Superintendent for Finance who is required to establish written operating procedures consistent with the District's investment policy guidelines. According to the investment policy of the District, all investments must conform to the applicable requirements of law and provide for: the safety of the principal, sufficient liquidity, and a reasonable rate of return. The District reviews its investment policy on an annual basis.

Authorized Investments. The District has designated one bank, which is located and authorized to conduct business in the State, to receive deposits of money. In addition, the District is authorized the use of two investment cooperatives. The District is permitted to invest in special time deposits or certificates of deposit.

In addition to bank deposits, the District is permitted to invest moneys in direct obligations of the United States of America, obligations guaranteed by agencies of the United States where the payment of principal and interest are further guaranteed by the United States of America. Other eligible investments for the District include: obligations of the State, revenue and tax anticipation notes issued by any municipality, school district or district corporation other than the District (investment subject to approval of the State Comptroller), obligations of certain public authorities or agencies, obligations issued pursuant to Section 109(b) of the General Municipal Law (certificates of participation) and certain obligations of the District but only with respect to moneys of certain reserve funds established pursuant to Section 6 of the General Municipal Law. The District may also utilize repurchase agreements to the extent such agreements are based upon direct or guaranteed obligations of the United States of America. Repurchase agreements are subject to the following restrictions, among others: all repurchase agreements are subject to a master repurchase agreement; trading partners are limited to banks or trust companies authorized to conduct business in the State or primary reporting dealers

as designated by the Federal Reserve Bank of New York, securities may not be substituted; and the custodian for the repurchase security must be a party other than the trading partner. All purchased obligations, unless registered or inscribed in the name of the District, must be purchased through, delivered to and held in the custody of a bank or trust company located and authorized to conduct business in the State.

Collateral Requirements. All District deposits in excess of the applicable insurance coverage provide by the Federal Deposit Insurance Act must be secured in accordance with the provisions of and subject to the limitations of Section 10 of the General Municipal Law of the State. Such collateral must consist of the “eligible securities,” which the District restricts to the following types of obligations: the United States of America, guaranteed agencies thereof, certain corporations sponsored by the United States government, obligations issued or fully insured or guaranteed by the State and the obligations of political subdivisions of the State and certain public benefit corporations. In addition, collateral may also consist of “eligible surety bonds,” or “eligible letter of credit” as described in the law.

Eligible securities pledged to secure deposits must be held by the depository or third-party bank or trust company pursuant to written security and custodial agreements. The District's security agreements provide that the aggregate market value of pledged securities must equal 102% of the principal amount of deposit, the agreed upon interest, if any, and any costs or expenses arising from the collection such deposits in the event of a default. Securities not registered or inscribed in the name of the District must be delivered, in a form suitable for transfer or with an assignment in blank, to the District or its designated custodial bank. The custodial agreements used by the District provide that pledged securities must be kept separate and apart from the general assets of the custodian and will not, under any circumstances, be commingled with or become part of the backing for any other deposit or liability. The custodial agreement must also provide that the custodian shall confirm the receipt, substitution or release of the collateral, the frequency of revaluation of eligible securities and the substitution of collateral when a change in the rating of a security may cause ineligibility.

An eligible irrevocable letter or credit may be issued, in favor of the District, by a qualified bank other than the depository bank. Such letters may have a term not to exceed 90 days and must have an aggregate value equal to 140% of the deposit obligations and the agreed upon interest. Qualified banks include those with commercial paper or other unsecured or short-term debt ratings within one of the three highest categories assigned by at least one nationally recognized statistical rating organization or a bank that is in compliance with applicable Federal minimum risk-based capital requirements.

An eligible surety bond must be underwritten by an insurance company authorized to do business in the State which has claims paying ability rated in the highest rating category for claims paying ability by at least two nationally recognized statistical rating organizations. The surety bond must be payable to the District in an amount equal to 102% of the aggregate deposits and the agreed interest thereon.

FINANCIAL FACTORS

Impacts of COVID-19

On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021 (“ARPA”). Included in this bill was \$350 billion in direct aid to state and local governments. Payments to local governments will be made in two tranches, the first half 60 days after enactment and the second half one year later. The funding is available through, and must be spent by, September 30, 2024.

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.

Currently, the District was eligible to receive approximately \$5.8 million in Education Stabilization Funding (CARES, CRRSA & ARPA) and has received approximately 99% of the funds as of November 21, 2024. The District expects to

use the federal funding for learning loss, to operate schools to meet the needs of students, and for various facility upgrades.

Audit Reports and Financial Reporting

Independent Audit Report. The financial statements of the District are audited each year by a firm of independent public accountants. For the fiscal year ended June 30, 2024, the audit was performed by the firm of Nugent & Haeussler, P.C., Montgomery, New York. A full copy of the District’s Audited Financial Statements for the fiscal year ended June 30, 2024, and additional years of audits, are on file with the Municipal Securities Rulemaking Board (<http://www.emma.msrb.org/>). Additional copies of audit reports may also be obtained by request from the District or from the District’s Financial Advisor.

State Audits. In addition, the District is subject to audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State. (See “The State Comptroller’s Fiscal Stress Monitoring System,” below.)

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

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

The most current applicable report of the State Comptroller designates the District as “No Designation.” The Districts fiscal score was 6.7% and the environmental score was 56.7%.

The financial affairs of the District are subject to periodic compliance reviews by OSC to ascertain whether the District has complied with the requirements of various State and federal statutes. A brief description of a recent OSC audit report appears below.

- June 2021 Audit: an audit report dated June 8, 2022, was conducted with the objective to determine whether the District used District resources to provide the mental health component of the New York Safe Schools Against Violence in Education Act (“SAVE Act”). Key recommendation included to provide mental health training to all staff and ensure it is completed by September 15, 2020 as required. The report indicates that District officials agreed with OSC’s findings and recommendations and indicated that the District will take corrective action.

See the State Comptroller’s official website for more information on FSMS. Complete audit reports can be obtained from OSC’s website currently at: <https://www.osc.state.ny.us/localgov/audits/index.htm>. Reference to this website implies no warranty of accuracy of information therein, nor inclusion herein by reference.

Certain Information Obtained From Financial Statements

Summary financial statements for the five years ended June 30, 2020 through June 30, 2024 are presented in Appendix B of this filing statement. Such statements were compiled from the audited financial statements of the District; however, the presentation of these statements has not been audited. The statements are not considered audited under accounting principles generally accepted in the United States of America because the notes to the statements and the auditors' report thereon have been omitted. Copies of the District's audited financial statements are on file with the Municipal Securities Rulemaking Board (<http://www.emma.msrb.org/>).

General Fund Results of Operations - Year Ended June 30, 2024

For the year ended June 30, 2024, the General Fund of the District recorded an excess of \$2,579,291 and ended the year with a total fund balance of \$16,611,597. The unassigned fund balance of the General Fund on June 30, 2024 was \$1,720,656.

General Fund revenue, excluding other financing sources, for the year ended June 30, 2024 was \$41,937,750. Real property taxes (\$15,868,105) and State aid (\$20,335,951) accounted for approximately 37.8% and 48.5% of such revenue reported for the year, respectively. General Fund expenditures for the year ended June 30, 2024, excluding other financing uses, were \$39,063,781. Other sources and uses for the year included \$294,678 in transfers out.

Real Property Taxes

The District is dependent upon the collection of real property taxes. For the fiscal year ended June 30, 2024, approximately 37.8% of the District's General Fund revenue; excluding other financing sources, was derived from real property taxes. For 2025, the District anticipates that approximately 38.6% of General Fund revenue will come from this source, excluding the planned use of fund balance and estimated STAR reimbursements.

The following table sets forth the percentage of General Fund revenue of the District comprised of real property taxes for each of the last five audited fiscal years and the amounts budgeted for the most recent fiscal year.

Real Property Taxes			
<u>Fiscal Years Ended June 30:</u>			
<u>Fiscal Years Ended June 30:</u>	<u>General Fund Revenue ⁽¹⁾</u>	<u>Real Property Taxes</u>	<u>% Real Property Taxes To General Fund Revenue</u>
2020	\$32,841,388	\$16,979,733	51.7%
2021	33,959,861	16,801,015	49.5
2022	35,776,624	16,890,143	47.2
2023	38,062,275	16,909,285	44.4
2024	41,937,750	15,868,105	37.8
2025 (Budget)	42,317,810	16,326,385	38.6

(1) Excludes other financing source.

Source: The Audited Financial Statements and 2024-25 Adopted Budget of the District.

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute.

The following table sets forth the percentage of General Fund revenue of the District comprised of State aid for each of the fiscal years ended June 30, 2020 through 2024, inclusive, and the amounts budgeted for the most recent fiscal year.

State Aid			
<u>Fiscal Years Ended June 30:</u>			
<u>Fiscal Years Ended June 30:</u>	<u>General Fund Revenue ⁽¹⁾</u>	<u>State Aid</u>	<u>% State Aid to General Fund Revenue</u>
2020	\$32,841,388	\$12,664,645	38.6%
2021	33,959,861	12,275,361	36.1
2022	35,776,624	13,580,927	38.0
2023	38,062,275	15,903,617	41.8
2024	41,937,750	20,335,951	48.5
2025 (Budget)	42,317,810	21,184,146	50.1

(1) Excludes other financing source.

Source: The Audited Financial Statements and the 2024-25 Adopted Budget of the District.

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 use of federal stimulus funds has allowed the State to avoid gap closing measures; however, the State may be required to implement gap closing measures in the future in response to the impact that the COVID-19 pandemic has had on the State’s finances. 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 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 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 (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 was 3.7 percent lower than in the State's 2019-2020 Enacted Budget but was offset in part with increased Federal support. This reduction in State Operating Funds support was 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 was expected to total \$27.9 billion, an annual increase of approximately \$100 million or 0.4 percent. The State's 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided 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 was continued under existing aid formulas. Out-year growth in School Aid reflected current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues came in below 99% percent of estimates or if actual disbursements exceeded 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 COVID19 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 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 provided \$34.5 billion in State funding to school districts for the 2023-24 school year the highest level of State aid ever. This represented 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 increased in Foundation Aid is to complete 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 pre-kindergarten to \$1.2 billion, an increase of \$125 million, or 9.09%. The Budget also included a total of \$20 million in grant funding to support the establishment of new early college high school programs.

School district fiscal year (2024-2025): For the 2024-2025 school year, the Enacted Budget provides \$35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever. This represents an increase of \$1.3 billion compared to the 2023-24 school year and includes a \$934 million or 3.89 percent Foundation Aid increase. The State’s 2024-25 Enacted Budget maintains the “save harmless” provision, which currently ensures a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State’s 2024-25 Enacted Budget also authorizes a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

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).

Other Revenue

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

TAX INFORMATION

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 to pay debt service on its debt obligation. However, the Tax Levy Limit Law imposes a statutory limit on the amount of real property taxes that a school district may levy. (See “*Tax Levy Limitation Law*” herein).

Tax Levy Limitation Law

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

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

Under the Tax Levy Limitation Law, there is now a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the consumer price index, subject to certain exclusions as mentioned below and as described in the Law. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a

budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

The Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures, and the refinancing or refunding of such bonds or notes certain pension cost increases, and other items enumerated in the Law. However, such exclusion does NOT apply to taxes to pay debt service on tax anticipation notes, 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

The District derives its power to levy ad valorem real property taxes from the State Constitution; methods and procedures to levy, collect and enforce this tax are governed by the Real Property Tax Law. Real property assessment rolls used by the District are prepared by various towns making up the District. Assessment valuations are determined by each town assessor and the State Office of Real Property Tax Services (the "ORPTS") which is responsible for certain utility and railroad property. In addition, the ORPTS annually establishes equalization rates for all localities in the State which are determined by statistical sampling of market sales/assessment studies. The equalization rates are used in the calculation and distribution of certain state aids and are used by many localities in the calculation of debt contracting and real property taxing limitations. The District is not subject to constitutional real property taxing limitations.

The real property taxes of the District are levied by the District and collected by the Tax Receivers of the various towns in which the District lies. Such taxes are due and payable on September 21 but may be paid through October 20 without penalty. Tax payments are subject to a 2% penalty from October 21 through November 10. On or before November 15, each Tax Receiver files a report of any uncollected taxes with the County. The County thereafter, on or before April 1, pays to the District the amount of its uncollected taxes. Thus, the full amount of the District's real property tax levy is collected by the District in the fiscal year of the levy. The County has the power to issue and sell tax anticipation notes in order to reimburse any uncollected taxes to the District.

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 homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption has been lowered to \$250,000, compared with a \$500,000 limit for the credit. The amount of the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually.

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

Approximately 6.5% of the District's 2023-2024 school tax levy was exempted by the STAR program and the District received full reimbursement of such exempt taxes from the State. Approximately, 5.6% of the District's 2024-2025 school tax levy is expected to be exempted by the STAR program and the District expects to receive full reimbursement of such exempt taxes from the State in January 2024. (See "State Aid" herein).

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Real Property Tax Statistics

Real Property Tax Assessments, Tax Levies and Tax Rates

	2020	2021	2022	2023	2024
Assessed Values:					
Amenia	\$67,686,552	\$66,587,093	\$67,696,372	\$73,927,274	\$81,709,909
Dover	367,888,433	361,351,400	362,430,770	365,221,316	367,286,949
Union Vale	40,315,153	40,072,195	40,292,055	40,491,281	41,159,210
Washington	64,456,924	70,336,818	70,328,514	69,980,628	71,339,945
Total Assessed Values	540,347,062	538,347,546	540,747,711	549,620,499	561,496,013
Equalization Ratios: ⁽¹⁾					
Amenia	100.00%	100.00%	100.00%	100.00%	100.00%
Dover	53.00	50.00	48.75	42.00	35.50
Union Vale	100.00	98.00	92.69	76.90	71.25
Washington	94.02	97.00	100.00	88.00	78.00
Full Values:					
Amenia	67,686,552	66,587,093	67,696,372	73,927,274	81,709,909
Dover	684,695,156	722,702,880	743,447,733	869,574,562	1,034,611,124
Union Vale	40,315,153	40,889,995	43,469,689	52,654,461	57,767,312
Washington	73,874,627	72,512,183	70,328,514	79,523,441	91,461,468
Total Full Values	866,571,488	902,692,151	924,942,308	1,075,679,738	1,265,549,813
Annual Tax Levy	18,693,351	18,428,405	18,428,405	18,231,231	16,978,005
Tax Rates Per \$1,000 Assessed Valuation:					
Amenia	\$21.57	\$20.41	\$19.92	\$16.95	\$13.42
Dover	40.70	40.83	40.87	40.35	37.79
Union Vale	21.57	20.83	21.50	22.04	18.83
Washington	22.94	21.05	19.92	19.26	17.20

(1) Equalization rates presented are final.
Source: The County, the ORPTS, and District Officials.

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Larger Property Assessments

Larger Property Assessments for 2023-2024

<u>Taxpayer</u>	<u>Property Classification</u>	<u>Full Valuation</u>	<u>% of Full Valuation ⁽¹⁾</u>
Iroquois Gas Trans. System	Utility	\$55,860,400	4.41%
NYSE&G Corp.	Utility	17,724,300	1.40
High Meadows Coop. Corp.	Mobile Home Park	12,042,500	0.95
Ten Mile River Farm LLC	Agriculture	11,410,800	0.90
Powell Road Mobile Home	Mobile Home Park	8,415,800	0.66
Tally Ho (NY) LLC.	Mobile Home Park	7,958,200	0.63
Reagans Mill Road LLC	Commercial	7,462,900	0.59
LWF LLC	Commercial	7,411,700	0.59
World Olivet Assembly Inc.	Non-profit	7,188,200	0.57
Con Edison Co. of NY Inc.	Utility	7,010,600	0.55
Total		<u>\$142,485,400</u>	<u>11.26%</u>

(1) The full valuation for the 2023-24 fiscal year is \$1,265,549,813.

INDEBTEDNESS OF THE DISTRICT

Constitutional Requirements

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

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

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

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

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

also provides a procedural method to determine that limitation. (See “*Nature of Obligation*” and “*Tax Levy Limitation Law*” herein.)

Statutory Procedure

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

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

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

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

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

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Debt Contracting Limitations and Power

Computation of Statutory Debt Contracting Limitation (2023-2024 Fiscal Year)

The following two tables set forth the computation of the debt limit of the District and its debt contracting margin as of June 30, 2024:

Full Valuation of Taxable Real Property (2022-23 Values)	<u>\$1,265,549,813</u>
Debt Limit (10% of Full Valuation)	<u><u>\$126,554,981</u></u>

Statement of Debt Contracting Power (As of November 21, 2024)

	<u>Amount</u>	<u>Percentage</u>
Debt Contracting Limitation:	<u>\$126,554,981</u>	<u>100.00%</u>
Gross Debt: ⁽¹⁾		
Serial Bonds:	<u>3,060,000</u>	<u>2.42</u>
Total Gross Indebtedness	<u>3,060,000</u>	<u>2.42</u>
Less Exclusions and Deductions ⁽²⁾	<u>-0-</u>	<u>0.00</u>
Total Net Indebtedness ⁽¹⁾⁽²⁾	<u>3,060,000</u>	<u>2.42</u>
Net Debt Contracting Margin ⁽¹⁾⁽²⁾	<u><u>\$123,494,981</u></u>	<u><u>97.58%</u></u>

(1) Exclusive of energy performance contract debt which while not general obligation debt, does count toward the debt limit. (see “Energy Performance Contract Debt” herein).

Short-Term Indebtedness

Pursuant to the Local Finance Law, the District is authorized to issue short-term indebtedness, in the form of notes as specified by such statute, to finance both capital and operating purposes.

Capital Purposes. Bond anticipation notes may be sold to provide moneys for capital projects once a bond resolution has been adopted. Generally, bond anticipation notes are issued in anticipation of the sale of bonds at some future date and may be renewed from time to time up to five years from the date of the first note. Notes may not be renewed after the second year unless there is a principal payment on such notes from a source other than the proceeds of bonds. In no event, may bond anticipation notes be renewed after the sale of bonds in anticipation of which the notes were originally issued. The District currently has no outstanding bond anticipation notes and does not expect any short-term capital borrowings during the current fiscal year.

Operating Purposes. The District is also authorized by law to issue tax anticipation notes and revenue anticipation notes to provide cash to pay operating expenditures. Borrowings for these purposes are restricted by formulas contained in the Local Finance Law and the Regulations issued under the U.S. Internal Revenue Code. Such notes may be renewed from time to time generally not beyond three years in the case of revenue anticipation notes, and five years for tax anticipation notes.

Budget notes may be issued to finance current operating expenditures for which there is no appropriation or the amount so appropriated is not sufficient. Generally, the amount of budget notes issued may not exceed 5% of the budget and must be redeemed in the next fiscal year. The District has generally not issued budget notes.

In common with other school districts in the State, the District may find it necessary from time to time to borrow in anticipation of the receipt of its real property taxes or State aid. In the past, the District has paid all notes on their due date, and such notes have generally not been outstanding at the end of the fiscal year. District officials do not presently expect that borrowings for cash flow purposes will be needed during the current fiscal year. The District has not issued tax or revenue anticipation notes in the past five years and does not reasonably anticipate the need to issue for such purposes in the foreseeable future.

Energy Performance Contract Obligation

In July of 2014, the District entered into a \$2,802,967 contractual agreement to finance the installation of energy saving equipment and/or to upgrade existing facilities to enhance performance. The terms of the contract provide for repayment over fifteen years, calculated at an interest rate of 2.67%. The energy performance contract provides that the savings in energy costs resulting from this modernization will equal or exceed the lease payment terms. The principal balance due as of June 30, 2024 was \$1,144,906. The installment financing agreement does not constitute general obligation debt of the District but it does count toward the District's debt limit.

Debt Service Schedule

The following table sets forth all principal and interest payments required on the outstanding bonded indebtedness of the District, exclusive of the Bonds, and exclusive of economically defeased obligations and lease purchase/installment financing agreement obligations.

Bond Principal and Interest Maturity

<u>Fiscal Year</u> <u>Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Annual</u> <u>Debt Service</u>
2025 ⁽¹⁾	\$170,000	\$124,775	294,775
2026	180,000	116,025	296,025
2027	185,000	106,900	291,900
2028	195,000	97,400	292,400
2029	205,000	87,400	292,400
2030	215,000	76,900	291,900
2031	230,000	65,775	295,775
2032	240,000	55,225	295,225
2033	250,000	46,675	296,675
2034	255,000	39,100	294,100
2035	265,000	31,300	296,300
2036	270,000	23,106	293,106
2037	280,000	14,338	294,338
2038	<u>290,000</u>	<u>4,894</u>	<u>294,894</u>
Totals:	<u>\$3,230,000</u>	<u>\$889,813</u>	<u>\$4,119,813</u>

(1) For the entire fiscal year.

Trend of Outstanding Capital Purpose Debt

The following table sets forth the total capital indebtedness outstanding at the end of each of the last completed five fiscal years. Refunded bonds, which are paid from an escrow account invested in U.S. Treasury obligations, and energy performance contract debt, has been excluded from the following ratios.

	<u>Fiscal Year Ending June 30:</u>				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonded Debt	\$165,000	\$0	\$0	\$3,325,000	\$3,230,000

Authorized But Unissued Debt

On July 20, 2022, the District passed a bond resolution authorizing the issuance of \$6,711,129 serial bonds to finance a portion of costs of the construction of improvements to various school facilities together with \$2,248,550 capital reserve fund monies. Following the issuance of the Bonds, the District will have no remaining authorized but unissued debt pursuant to such resolution.

Overlapping Debt

In addition to the District, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the District. The estimated gross outstanding indebtedness (bonds and notes) of such political subdivisions, based on information furnished by such entities, but not independently verified, is as follows:

<u>Overlapping Units</u>	<u>Date of Report</u>	<u>Net Underlying Debt</u>	<u>Debt Percentage Applicable</u>	<u>Applicable Net Indebtedness</u>
County	03-12-24	\$271,005,000	2.84%	\$7,696,542
Towns:				
Amenia	12-31-21	2,433,004	11.20	272,496
Dover	12-31-21	596,542	86.50	516,009
Union Vale	12-31-21	565,000	5.85	33,053
Washington	12-31-21	507,872	5.51	27,984
Total				<u>\$8,546,084</u>

Source: County officials and the Office of the State Comptroller.

Debt Ratios

The following table sets forth certain debt ratios relating to the District's indebtedness.

	<u>Amount</u>	<u>Debt Per Capita ⁽¹⁾</u>	<u>Ratio To Full Value ⁽²⁾</u>
Net Direct:	\$3,060,000	\$324.77	0.24%
Net Direct and Overlapping Debt	11,606,084	1,231.81	0.92

(1) The District's population as of 2022 is estimated at 9,422 according to the US Census Bureau.

(2) The District's estimated full valuation of taxable real estate for 2023-2024 is \$1,265,549,813.

ECONOMIC AND DEMOGRAPHIC DATA

Population

The District's population as of 2021 was 9,303, according to the U.S. Census Bureau. The following table presents population trends for the Town of Dover ("Town"), the County, and the State, based upon recent census data. Data provided for the Town, County, and State in the following table is not necessarily representative of the District.

	<u>Population Trend</u>			<u>Percentage Change</u>	<u>Percentage Change</u>
	<u>2010</u>	<u>2020</u>	<u>2023</u>	<u>2010/2020</u>	<u>2020/2023</u>
Town	8,699	8,415	8,337	(3.26)%	(0.93)%
County	297,488	295,911	297,150	(0.53)	0.42
State	19,378,102	20,201,249	19,571,216	4.25	(3.12)

Source: U.S. Census Bureau.

Income

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

	<u>Median Family Income</u>			<u>Percentage Change</u>	<u>Percentage Change</u>
	<u>2010</u>	<u>2020</u>	<u>2022</u>	<u>2010/2020</u>	<u>2020/2022</u>
County	\$83,599	\$103,200	\$118,875	23.45%	15.19%
State	67,405	87,270	100,846	29.47	15.56

Source: U.S. Census Bureau.

Employment and Unemployment

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

	<u>Civilian Labor Force</u>				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
County	\$ 148,400	\$ 145,000	\$ 143,700	\$ 145,400	\$ 147,000
State	9,850,900	9,564,400	9,533,000	9,595,800	9,717,800

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

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

Yearly Average Unemployment Rates

<u>Year</u>	<u>County</u>	<u>State</u>
2019	3.4%	3.9%
2020	7.3	9.8
2021	4.5	7.1
2022	3.1	4.3
2023	3.3	4.2

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

Monthly Unemployment Rates

<u>Month</u>	<u>County</u>	<u>State</u>
September 2024	3.4%	4.0%
August	3.6	4.9
July	3.4	4.9
June	3.6	4.3
May	3.3	4.2
April	3.2	3.9
March	2.9	4.2
February	2.5	4.5
January	3.0	4.3
December 2023	3.4	4.4
November	3.4	4.2
October	3.6	4.4

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

End of Appendix A

APPENDIX B

FINANCIAL STATEMENT SUMMARIES

**DOVER UNION FREE SCHOOL DISTRICT
GENERAL FUND
BALANCE SHEET
UNAUDITED PRESENTATION**

AS OF JUNE 30 :

	2020	2021	2022	2023	2024
ASSETS					
Unrestricted Cash	\$ 3,615,479	\$ 3,198,547	\$ 1,729,869	\$ 2,341,941	\$ 2,668,664
Restricted Cash	5,539,734	7,036,287	9,619,614	11,954,507	13,874,304
State and Federal Aid Receivable	979,070	1,108,740	1,056,517	981,946	1,147,810
Due From Other Funds	902,337	628,369	1,791,048	1,268,178	1,525,529
Due From Other Governments	0	35,402	0	0	21,911
Due From Fiduciary Funds	0	0	0	0	0
Other Receivables (Net)	3,553	51,768	3,650	7,378	4,894
Prepaid Expenditures	431,645	426,544	462,010	524,917	584,756
	Total Assets	\$ 12,485,657	\$ 14,662,708	\$ 17,078,867	\$ 19,827,868
 LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Payable	\$ 259,874	\$ 614,962	\$ 192,019	\$ 463,323	\$ 641,409
Accrued Liabilities	1,140,623	1,184,302	973,969	592,491	399,816
Due To Other Governments	11,671	71,303	25,698	0	36,767
Due To Other Funds	0	0	0	0	0
Due to Fiduciary Funds	3,201	0	0	0	0
Due To Teachers' Retirement System	1,241,833	1,372,609	1,576,539	1,792,439	1,863,417
Due To Employees' Retirement System	98,661	106,940	84,884	99,417	124,173
Compensated Absences Payable	12,479	14,042	18,984	13,187	48,557
Deferred Revenues	5,312	80,085	47,232	43,494	41,601
Other Liabilities	0	84,095	33,828	42,210	60,531
	Total Liabilities	3,528,338	2,953,153	3,046,561	3,216,271
Fund Equity:					
Nonspendable	431,645	426,544	462,010	524,917	584,756
Restricted	5,539,734	7,036,287	9,619,614	11,954,507	13,874,304
Assigned	1,345,080	52,054	136,581	10,363	431,881
Unassigned	1,381,705	1,442,434	1,491,350	1,542,519	1,720,656
	Total Fund Equity	8,957,319	11,709,555	14,032,306	16,611,597
	Total Liabilities and Fund Equity	\$ 12,485,657	\$ 14,662,708	\$ 17,078,867	\$ 19,827,868

The financial data presented on this page has been excerpted from the audited financial statements of the District. Such presentation, however, has not been audited. Complete copies of the District's audited financial statements are available upon request to the District.

DOVER UNION FREE SCHOOL DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
UNAUDITED PRESENTATION

FOR THE FISCAL YEARS ENDED JUNE 30:

	2020	2021	2022	2023	2024
REVENUES:					
Real Property Taxes	\$ 16,979,733	\$ 16,801,015	\$ 16,890,143	\$ 16,909,285	\$ 15,868,105
Other Tax Items	2,661,217	4,149,149	4,122,555	3,946,448	3,775,085
Charges For Services	61,778	145,921	135,092	74,956	87,575
Use Of Money And Property	182,744	35,276	43,225	864,035	1,181,048
Sale Of Property And Compensation For Loss	3,544	6,108	212,877	4,817	62
Miscellaneous	236,530	517,778	303,501	320,436	665,862
State Aid	12,664,645	12,275,361	13,580,927	15,903,617	20,335,951
Federal Aid	51,197	29,253	488,304	38,681	24,062
Total Revenues	32,841,388	33,959,861	35,776,624	38,062,275	41,937,750
EXPENDITURES:					
General Support	4,061,658	4,687,156	4,780,290	4,702,957	5,098,925
Instruction	17,470,643	17,461,506	18,583,703	20,279,433	21,578,239
Pupil Transportation	1,597,061	1,898,138	2,226,715	2,367,385	3,048,293
Community Services	2,006	2,147	1,693	1,442	1,363
Employee Benefits	7,527,275	7,393,518	7,419,436	7,871,789	8,799,031
Debt Service	410,828	414,429	246,129	246,128	537,930
Total Expenditures	31,069,471	31,856,894	33,257,966	35,469,134	39,063,781
Excess (Deficiency) of Revenues Over Expenditures	1,771,917	2,102,967	2,518,658	2,593,141	2,873,969
OTHER FINANCING SOURCES (USES):					
Operating Transfers - In	150,300	601,200	638,676	2	0
Operating Transfers - Out	(1,276,472)	(2,445,012)	(405,098)	(270,392)	(294,678)
Total Other Financing Sources (Uses)	(1,126,172)	(1,843,812)	233,578	(270,390)	(294,678)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	645,745	259,155	2,752,236	2,322,751	2,579,291
Fund Equity - Beginning of Year	8,052,419	8,698,164	8,957,319	11,709,555	14,032,306
Fund Balance Transfers	0	0	0	0	0
Fund Equity - End of Year	8,698,164	8,957,319	11,709,555	14,032,306	16,611,597

The financial data presented on this page has been excerpted from the audited financial statements of the District. Such presentation, however, has not been audited. Complete copies of the District's audited financial statements are available upon request to the District.

DOVER UNION FREE SCHOOL DISTRICT
GENERAL FUND
SUMMARY OF ADOPTED BUDGET

	<u>Adopted Budget 2023-2024</u>	<u>Adopted Budget 2024-2025</u>
ESTIMATED REVENUES:		
Real Property Taxes	\$ 15,868,105	\$ 16,326,385
Other Tax Items	3,768,945	3,602,620
Charges For Services	80,000	80,000
Use Of Money And Property	500,000	646,185
State Aid	20,514,549	21,184,146
Federal Aid	30,000	30,000
Interfund Transfer	-	-
Miscellaneous	245,000	448,474
	<u>41,006,599</u>	<u>42,317,810</u>
TOTAL ESTIMATED REVENUES		
Appropriated Fund Balance	-	400,000
Retirement Contribution Reserve	-	200,000
Employee Benefit Accrued Liability	-	100,000
Tax Certiorari	-	-
	<u>-</u>	<u>700,000</u>
APPROPRIATED FUND BALANCE AND RESERVES		
	<u>-</u>	<u>700,000</u>
TOTAL ESTIMATED REVENUES AND APPROPRIATED FUND BALANCE AND RESERVES		
	<u>\$ 41,006,599</u>	<u>\$ 43,017,810</u>
APPROPRIATIONS:		
General Support	\$ 5,455,128	\$ 5,367,739
Instruction	21,963,106	23,183,734
Pupil Transportation	3,002,943	3,296,157
Community Services	7,000	7,000
Employee Benefits	9,740,491	10,422,275
Debt Service	537,931	540,905
Interfund Transfers	300,000	200,000
	<u>41,006,599</u>	<u>43,017,810</u>
TOTAL APPROPRIATIONS		
	<u>\$ 41,006,599</u>	<u>\$ 43,017,810</u>

Source: Public Budget Statement of the District for 2023-2024 and 2024-2025.

APPENDIX C

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024*

**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/P11816411.pdf>

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

*** Nugent & Haeussler, P.C. has not commented on or approved this Official Statement, has not been requested to perform any procedures on the information in its included report since its date and has not been asked to consent to the inclusion of its report in this Official Statement.**

APPENDIX D

FORM OF BOND COUNSEL'S OPINION FOR THE BONDS

FORM OF BOND COUNSEL’S OPINION

Dover Union Free School District,
Dutchess County,
State of New York

December 18, 2024

Re: Dover Union Free School District, Dutchess County, New York,
\$3,207,739 School District (Serial) Bonds, 2024

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$3,207,739 School District (Serial) Bonds, 2024 (the “Obligations”), of the Dover Union Free School District, Dutchess County, New York (the “Obligor”), dated December 18, 2024, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of _____ hundredths per centum (_____%) per annum as to bonds maturing in each of the years 20____ to 20_____, both inclusive, payable on December 1, 2025, June 1, 2025, and semi-annually thereafter on December 1 and June 1, and maturing in the amount of

\$ _____ on December 1, 2026, \$ _____ on December 1, 2027,
\$ _____ on December 1, 2028, \$ _____ on December 1, 2029,
\$ _____ on December 1, 2030, \$ _____ on December 1, 2031,
\$ _____ on December 1, 2032, \$ _____ on December 1, 2033,
\$ _____ on December 1, 2034, \$ _____ on December 1, 2035,
\$ _____ on December 1, 2036, \$ _____ on December 1, 2037,
\$ _____ on December 1, 2038, \$ _____ on December 1, 2039,
and \$ _____ on December 1, 2040

Obligations maturing on or before December 1, 2032 are not subject to redemption prior to maturity. Obligations maturing on or after December 1, 2033 are subject to redemption prior to maturity, at the option of the Obligor on December 1, 2032 and thereafter on any date, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity selected by lot within a maturity), at a price equal to the par principal amount, plus accrued interest to the date of redemption.

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 10 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the “Code”);

(3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the “Arbitrage Certificate”); and

(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

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

In our opinion:

- (a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors’ rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors’ rights.

- (c) Interest on the Obligations 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. 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