Supplement dated
August 15, 2022

to the

Preliminary Official Statement
dated July, 27, 2022

relating to

MILLER PLACE UNION FREE SCHOOL DISTRICT, SUFFOLK COUNTY, NEW YORK

$5,000,000 SCHOOL DISTRICT SERIAL BONDS – 2022
(the "Bonds")

$12,000,000 TAX ANTICIPATION NOTE FOR 2022-2023 TAXES
(the "Notes")

Introduction

The Preliminary Official Statement for the Bonds and the Notes is dated **July 27, 2022** (the "Official Statement"). The Miller Place Union Free School District, Suffolk County, New York (the "**District**") has prepared this Supplement dated **August 15, 2022**, to the Official Statement (the "Supplement") to update the subheading entitled "Miscellaneous" under heading "TAX MATTERS".

Other than with respect to the information provided herein, this Supplement is not otherwise updating the Official Statement, which speaks as of its date. Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Official Statement.

The subheading entitled "Miscellaneous" is hereby updated with the following:

Miscellaneous

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

The Inflation Reduction Act, H.R. 5376 (the "IRA"), has been passed by both houses of Congress and is expected to be signed by the President; as passed, the IRA includes a 15 percent alternative minimum tax to be imposed on the "adjusted financial statement income," as defined in the IRA, of certain corporations for tax years beginning after December 31, 2022. If the IRA is enacted as passed, interest on the Bonds and the Notes will be included in the "adjusted financial statement income" of such corporations for purposes of computing such alternative minimum tax.

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

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

NEW ISSUES
SERIAL BOND/TAX ANTICIPATION NOTES

RATING: MOODY'S INVESTOR SERVICE:
See "Bond Rating", herein

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

The District will NOT designate the Bonds or the Notes as "qualified tax exempt obligations" under Section 265(b)(3) of the Code.

MILLER PLACE UNION FREE SCHOOL DISTRICT
SUFFOLK COUNTY, NEW YORK
(the "District")

$5,000,000 SCHOOL DISTRICT SERIAL BONDS – 2022
(the "Bonds")

See Bond Maturity Schedule Herein

The Bonds are general obligations of the Miller Place Union Free School District (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 maturing on August 15, 2029 and thereafter are subject to redemption prior to maturity, at the option of the District, as a whole or in part, on any date on or after August 15, 2028. (See "*Optional Redemption*" under "*THE BONDS*," herein.)

The Bonds will be issued as registered bonds and will be registered in the name of Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Beneficial owners will not receive certificates representing their interest in the Bonds. Individual purchases may be made in denominations of $5,000 or integral multiples thereof. A single bond certificate will be issued for each maturity of each series of the Bonds. Principal of and interest on said Bonds will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its Participants (as herein after defined) for subsequent distribution to the beneficial owners of the Bonds as described herein. Transfer of principal and interest payments to Beneficial Owners (as hereinafter defined) by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The District will not be responsible or liable for payments by DTC to its Participants or by Direct Participants (as hereinafter defined) to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants. (See "*DESCRIPTION OF BOOK-ENTRY SYSTEM*" and "*Certificated Bonds and Notes*," herein).

$12,000,000* TAX ANTICIPATION NOTES FOR 2022-2023 TAXES
(the "Notes")

Dated Date: August 30, 2022

Maturity Date: June 28, 2023

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

The Notes will not be subject to redemption prior to their maturity.

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

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

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

Proposals for the Bonds and the Notes will be received at 11:00 A.M. (Prevailing Time) on August 17, 2022 at the offices of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776.

The Bonds and the Notes are offered subject to the respective final approving opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and certain other conditions. It is expected that delivery of the Bonds and the Notes will be made on or about August 30, 2022 in New York, New York, or as otherwise agreed to by the District and the purchaser.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM "DEEMED FINAL" BY THE DISTRICT FOR THE PURPOSE OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE") EXCEPT FOR CERTAIN INFORMATION THAT WILL BE UPDATED FOLLOWING THE DATE THEREOF. FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS AND THE NOTES, AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKINGS" HEREIN.

August , 2022

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*Preliminary, subject to change.

MILLER PLACE UNION FREE SCHOOL DISTRICT
SUFFOLK COUNTY, NEW YORK

$5,000,000 SCHOOL DISTRICT SERIAL BONDS – 2022

BOND MATURITY SCHEDULE

Dated: Date of Delivery

Principal Due: **August 15, 2023-2037, inclusive**
Interest Due: **August 15, 2023, and semi-annually thereafter on February 15 and August 15 in each year to maturity**

Amount	Maturity	Rate	Price or Yield	CUSIP #
$ 250,000	2023			
325,000	2024			
325,000	2025			
325,000	2026			
325,000	2027			
325,000	2028			
325,000	2029*			
325,000	2030*			
325,000	2031*			
325,000	2032*			
350,000	2033*			
350,000	2034*			
375,000	2035*			
375,000	2036*			
375,000	2037*			

*Subject to redemption prior to maturity. See "*Optional Redemption*" herein.

MILLER PLACE UNION FREE SCHOOL DISTRICT
SUFFOLK COUNTY, NEW YORK

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BOARD OF EDUCATION

Lisa Reitan, President
Bryan Makarius, Vice President

Keith Frank
Andrea Spaniolas
Johanna Testa

Seth Lipshie, Superintendent
Colleen V. Card, School Business Official
Patricia Morbillo, District Clerk
Donald Pearce, District Treasurer

School District Attorney

Guercio & Guercio
Farmingdale, New York

* * *

BOND COUNSEL

Hawkins Delafield & Wood LLP
New York, New York

* * *

MUNICIPAL ADVISOR

Municipal Finance Advisory Service

12 Roosevelt Avenue
Port Jefferson Station, N.Y. 11776
(631) 331-8888

E-mail: info@munistat.com
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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 District. 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 and the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the District from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof.

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OFFICIAL STATEMENT

MILLER PLACE UNION FREE SCHOOL DISTRICT
SUFFOLK COUNTY, NEW YORK

$5,000,000 SCHOOL DISTRICT SERIAL BONDS – 2022

$12,000,000* TAX ANTICIPATION NOTES FOR 2022-2023 TAXES

This Official Statement and the appendices hereto present certain information relating to the Miller Place Union Free School District, in the County of Suffolk, in the State of New York (the "District," "County" and "State," respectively) in connection with the sale of $5,000,000 School District Serial Bonds – 2022 (the "Bonds"), and $12,000,000* Tax Anticipation Notes for 2022-2023 Taxes (the "Notes") of the District.

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

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

THE BONDS

Description of the Bonds

The Bonds will be dated date of delivery, and will mature in the principal amounts on August 15 in each of the years 2023 to 2037, inclusive, as set forth on the inside cover page hereof. Interest on the Bonds will be August 15, 2023, and semi-annually thereafter on February 15 and August 15 in each year to maturity.

The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry bonds. DTC will act as the securities depository for the Bonds. Individual purchases of the Bonds may be made in denominations of $5,000 or integral multiples thereof. Bondholders will not receive certificates representing their respective interests in the Bonds purchased. Payment of the principal of and interest on the Bonds will be made by the District to DTC which will in turn remit such payment to its Participants for subsequent distribution to the Beneficial Owners of the Bonds in accordance with standing instructions and customary practices. Payment to the Beneficial Owners will be the responsibility of the DTC Participant or Indirect Participant and not of DTC or the District, subject to any statutory and regulatory requirements as may be in effect from time to time. (See "*Book-Entry-Only System*" under "THE BONDS," herein.)

The Record Date of the Bonds will be the last business day of the calendar month immediately preceding each interest payment date.

The District's contact information is as follows: Colleen V. Card, School Business Official, Miller Place Union Free School District, 7 Memorial Drive, Miller Place, NY 11764, telephone number (631) 474-2700 e-mail: ccard@millerplace.k12.ny.us.

*Preliminary, subject to change.

Optional Redemption

The Bonds maturing on or before August 15, 2028 will not be subject to redemption prior to maturity. The Bonds maturing on August 15, 2029 and thereafter, will be subject to redemption, at the option of the District, prior to maturity, 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), on any date on or after August 15, 2028, at the redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the date of redemption.

If less than all of any of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be 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 at least thirty (30) days prior to the date set for such redemption. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date.

Authorization for and Purpose of Bonds

The Bonds are being issued in accordance with the Constitution and statutes of the State of New York including the Education Law and the Local Finance Law and the bond resolution duly adopted by the Board of Education of the District on November 17, 2021 authorizing the issuance of $30,000,000 bonds to finance the cost the construction of alterations and improvements to District buildings and sites following the approval of a proposition by a majority of the qualified voters of the District voting thereon at the Special District Meeting held on October 19, 2021 . The Bonds will finance $5,000,000 of such authorization.

For further information regarding bond authorizations of the District for capital purposes and other matters relating thereto see “INDEBTEDNESS OF THE DISTRICT”, herein.

THE NOTES

Description of the Notes

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

The District will act as Paying Agent for any Notes issued in book-entry form and the purchaser(s) will serve as paying agent for the Notes registered in the name of the purchaser(s). Paying agent fees, if any, will be paid by the purchaser(s). The District’s contact information is as follows: Colleen V. Card, School Business Official, Miller Place Union Free School District, 7 Memorial Drive, Miller Place, NY 11764, telephone number (631) 474-2700 e-mail: ccard@millerplace.k12.ny.us.

Optional Redemption

The Notes will not be subject to redemption prior to their maturity.

Authorization for and Purpose of Notes

The Notes are issued pursuant to the Constitution and laws of the State, including Sections 24.00 and 39.00 of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of New York, and a tax anticipation note resolution adopted by the Board of Education of the District to finance cash flow requirements in anticipation of the collection of 2022-2023 real property taxes levied for school purposes on all taxable real property in the District. The proceeds of the Notes may be used only for the purposes for which such taxes have been or are to be levied, as specified in the 2022-2023 annual budget of the District, unless all of said purposes have been paid and satisfied, in which case the proceeds of the notes may be used for any lawful school purpose. The proceeds of the Notes will not be used for the redemption or renewal of any outstanding tax anticipation or revenue anticipation notes.

Pursuant to Section 24.00(e) of the Local Finance Law, generally, whenever the amount of the Notes and any additional tax anticipation notes issued by the District in anticipation of the receipt of 2022-2023 real property taxes equals the amount of such taxes remaining uncollected, the District is required to set aside in a special bank account all of such uncollected taxes as thereafter collected, and to use the amounts so set aside only for the purpose of paying such Notes. Interest on the Notes will be provided from budget appropriations.

DESCRIPTION OF BOOK-ENTRY SYSTEM

DTC will act as securities depository for the Bonds and for any Notes issued in book-entry form. The Bonds and such Notes will be issued as fully-registered securities, 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 each series of the Bonds and deposited with DTC. One fully-registered note certificate will be issued for each Note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, the world's largest depository, is 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 facilities 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 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"). Effective August 9, 2011, Standard & Poor's assigns a rating of "AA+" to DTC. 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 Bonds and the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and the Notes on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds and the Notes are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds and the Notes, except in the event that u se of the book-entry system for the Bonds and the Notes is discontinued.

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

Beneficial Owners of the Bonds and the Notes may wish to take certain steps to augment the transmission to them or notices of significant events with respect to the Bonds and the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds and the Notes may wish to ascertain that the nominee holding the Bonds and the Notes for their benefit has agreed to obtain and transmit notices to the Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Principal and interest payments on the Bonds and the Notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District on the 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 (nor its nominee) or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC), and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company, New York, New York.

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANTS, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OR ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS AND THE NOTES; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS; OR (IV) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS AND THE NOTES; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

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

Certificated Bonds and the Notes

DTC may discontinue providing its services with respect to the Bonds and the Notes at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, and a replacement book-entry securities depository is not appointed, the Bonds and the Notes will be issued in registered form in denominations of $5,000, or integral multiples thereof. Principal of and interest on the Bonds and the Notes when due will be payable at the principal corporate trust office of a bank or trust company to be named by the District as the fiscal agent; certificated Bonds and the Notes may be transferred or exchanged at no cost to the owner of such bonds and notes at any time prior to maturity at the corporate trust office of the fiscal agent for bonds and notes of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the certificate of the President of the Board authorizing the sale of the Bonds and the Notes and fixing the details thereof and in accordance with the Local Finance Law.

Security and Source of Payment

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

The Bonds and the Notes 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. For the payment of such principal of and interest on the Bonds, the District has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the District without limitation as to rate or amount. For the payment of such principal of and interest on the Notes, the District has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the District, subject to certain statutory limitations imposed by the Chapter 97 of the New York Laws of 2011, as amended. See *"Tax Levy Limit Law"* herein.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and the Notes, and the State is specifically precluded 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. However, the Tax Levy Limit Law, (herein referred to as the "Tax Levy Limit Law" or "Law"), imposes a limitation on the power of local governments and school districts, including the District, to increase their annual tax levy, with the amount of such year to year increase limited by the formulas set forth in the Tax Levy Limit Law. The Tax Levy Limit Law also provides the procedural method to overcome that limitation. In addition, the Tax Levy Limit Law expressly provides an exclusion from the annual tax levy limitation for any taxes levied to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures (such as the Bonds), or the refinancing or refunding of such bonds or notes. The exclusion does NOT apply to taxes to pay debt service on tax anticipation notes (such as the Notes), revenue anticipation notes, budget notes and deficiency notes, and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments. (See "*The Tax Levy Limit Law,"* herein.)

REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

SECTION 99-B OF THE STATE FINANCE LAW APPLICABLE TO SCHOOL DISTRICTS

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

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

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

NO PAST DUE DEBT

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

BANKRUPTCY

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

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

THE DISTRICT

Description

The District is located in the northwestern part of the Town of Brookhaven (the "Town"), Suffolk County, New York. Professional offices and commercial centers in Port Jefferson, Smithtown and Patchogue are within close proximity.

The area is largely residential in character. Considerable commercial development has taken place in recent years, located mostly on New York State Route 25A and North Country Road. Route 25A is the main road artery in the School District, and it generally bisects the School District on an east-west axis.

Residential construction continues at a moderate pace. Residents find employment with the District, and, among other places, at nearby industrial plants, Brookhaven National Laboratory, The Internal Revenue Center in Holtsville and Smith Haven Shopping Mall complex.

Vehicular transportation is served by a network of Town, County and State roads, including the Long Island Expressway. Rail transportation is provided by the Metropolitan Transportation Authority (Long Island Rail Road) at nearby Port Jefferson.

Recreational facilities, available to residents of the District, include Town beaches and marinas.

Higher education facilities are available in the immediate area, including The State University of New York at Stony Brook and Suffolk County Community College.

Police protection is provided by the County of Suffolk and fire protection is provided primarily by the Miller Place Fire District.

District Organization

The Board of Education, which is the policy-making body of the District, consists of five members with overlapping three-year terms so that as nearly as possible an equal number shall be elected to the Board each year. The President and the Vice President are selected by the Board members.

The administrative officers of the District, whose duty it is to implement the policies of the Board of Education and who are appointed by the Board, include the Superintendent of Schools, Assistant Superintendent, School Business Official, the District Clerk and the District Treasurer.

Enrollment History

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

School Year	School Enrollment
2016-2017	2,727
2017-2018	2,662
2018-2019	2,588
2019-2020	2,591
2020-2021	2,507
2021-2022	2,458
2022-2023	2,400

Source: District Officials.

District Facilities

The District operates five schools and offices; statistics relating to each are shown below.

Name of School	Grades	Date of Construction	Date of Last Addition	Capacity
Andrew Muller Primary School	UPK-2	1968	2019	795
North Country Road Middle School	6-8	1937	2011	750
Laddie A. Decker Sound Beach School	3-5	1979	2011	800
Miller Place High School	9-12	1972	2011	1,341
Administration Building	-	2012	-	-

Employees

The collective bargaining agents, if any, which represent employees and the dates of expirations of the various collective bargaining agreements are as follows:

Name of Union	Expiration Date of Contract	Approx. No. of Members
Miller Place Teachers Association	06/30/2025	215
Miller Place Nurses Association	06/30/2025	4
Miller Place Administrators Association	06/30/2026	15
CSEA - Secretarial & Clerical	06/30/2021	98
CSEA - Operations Unit	06/30/2023	44

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population Trends

The following table sets forth population statistics.

Year	District	Town of Brookhaven	Suffolk County
2015	15,024	488,930	1,501,373
2016	15,024	488,123	1,498,130
2017	15,035	486,179	1,492,953
2018	15,071	483,436	1,481,093
2019	15,071	480,763	1,476,601
2020	12,775	482,671	1,481,364

Source: U.S. Bureau of the Census.

Income Data

Income Data is available for the District as such. The information set forth below with respect to such Town, County and State is included for information purposes only. It should not be implied from the inclusion of such data in this Statement that the District is necessarily representative of the Town, County or State or vice versa.

	Per Capita Money Income			
	1990	2000	2010	2020 [a]
District	$ -	$ -	$38,017	$50,268
Town of Brookhaven	16,726	24,191	33,324	42,388
Suffolk County	18,481	26,577	35,755	46,466
New York State	16,501	23,389	30,948	40,898

	Median Household Income			
	1990	2000	2010	2020 [a]
District	$ -	$ -	$99,806	$123,984
Town of Brookhaven	47,074	62,475	81,937	100,061
Suffolk County	49,128	65,288	84,506	105,362
New York State	32,965	43,393	55,603	71,117

Source: United States Bureau of the Census

a. Based on American Community Survey 5-Year Estimate (2016-2020)

Selected Listing of Larger Employers in the Town of Brookhaven [a]
(As of 2022)

Name	Type of Business	Estimated Number of Employees
State University at Stony Brook	Education	14,000
Stony Brook University Medical Center	Medical Center	7,500
Brookhaven National Laboratory	Laboratory	3,000
John T. Mather Hospital	Hospital	1,967
Zebra Technologies	Commercial	1,800
Brookhaven Memorial Hospital	Hospital	1,730
St. Charles Hospital	Hospital	1,400
Three Village Central School District	Education	1,298
Quality King Distributors	Commercial	900
William Floyd Union Free School District	Education	860
Amneal Pharmaceuticals	Commercial	780

Source: Town of Brookhaven Division of Economic Development
a. Not necessarily representative of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is the Town of Brookhaven. The information set forth below with respect to such Town, the County of Suffolk and the State of New York is included for information purposes only. It should not be implied from the inclusion of such data in this Statement that the District is necessarily representative of the Town, the County or the State, or vice versa.

Annual Averages:	Town of Brookhaven (%)	Suffolk County (%)	New York State (%)
2016	4.4	4.3	4.8
2017	4.5	4.5	4.7
2018	3.9	3.9	4.1
2019	3.7	3.7	4.4
2020	8.2	8.5	10.0
2021	4.8	4.9	7.2
2022 (5 Month Average)	3.4	3.3	4.6

Source: Department of Labor, State of New York

INDEBTEDNESS OF THE DISTRICT

Constitutional and Statutory Requirements

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

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

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

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

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

Statutory Procedure

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

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

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution, together with a statutory form of notice which, in effect, estops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. It is a procedure that is recommended by Bond Counsel but it is not an absolute legal requirement.

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

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

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

The following table sets forth the computation of the debt limit of the District and its debt contracting margin:

Computation of Debt Limit and Debt Contracting Margin
(As of July 27, 2022)

In Town of:	Assessed Valuation	State Equalization Rate	Full Valuation
Brookhaven (2021-2022) [a]	$17,139,020	0.74%	$2,316,083,784
Debt Limit - 10% of Average Full Valuation			$231,608,378
Inclusions: [b]			
Outstanding Bonds			$18,185,000
Bond Anticipation Notes			0
Total Indebtedness Before Issuing the Bonds			18,185,000
Exclusions (Estimated Building Aid) [c]			13,167,016
Total Net Indebtedness Before Issuing the Bonds			5,017,984
The Bonds			5,000,000
Less: BANs Being Redeemed by the bonds			0
Net Effect of the Bonds			5,000,000
Total Net Indebtedness After Issuing the Bonds	Bonds		10,017,984
Net Debt Contracting Margin			$221,590,394
Per Cent of Debt Contracting Margin Exhausted			4.33%

a. The latest completed assessment roll for which a State Equalization Rate has been established.
b. Tax Anticipation Notes, Energy Performance Lease and Revenue Anticipation Notes are not included in computation of the debt contracting margin of the District.
c. Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes, based on the most recent information received by the District from the State Department of Education. The amount shown is not necessarily the amount the District will ultimately receive. The District has not applied for a building aid exclusion certificate from the Commissioner of Education and therefore may not exclude such amount from its total indebtedness on the Debt Statement form required to be filed with the Office of the State Comptroller when bonds are to be issued.

Trend of Outstanding Indebtedness [a]
As at June 30:

	2018	2019	2020	2021	2022
Bonds	$28,855,000	$24,630,000	$22,475,000	$20,430,000	$18,280,000
BANs	-	-	-	-	-
Other	-	-	-	-	-
Totals:	$28,855,000	$24,630,000	$22,475,000	$20,430,000	$18,280,000

a. Table does not include Energy Performance Contract debt.

Details of Short-Term Indebtedness Outstanding

As of the date of this Official Statement, the District has no short-term Indebtedness outstanding.

Debt Service Requirements - Outstanding Bonds [a]

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	$ 1,980,000	$ 734,149	$ 2,714,149
2024	2,055,000	649,649	2,704,649
2025	1,900,000	561,488	2,461,488
2026	1,975,000	478,962	2,453,962
2027	2,045,000	392,631	2,437,631
2028	2,115,000	302,588	2,417,588
2029	2,185,000	209,088	2,394,088
2030	2,235,000	142,339	2,377,339
2031	120,000	73,350	193,350
2032	120,000	68,550	188,550
2033	125,000	63,587	188,587
2034	135,000	58,240	193,240
2035	140,000	52,516	192,516
2036	145,000	46,495	191,495
2037	150,000	40,226	190,226
2038	155,000	33,706	188,706
2039	165,000	26,826	191,826
2040	170,000	19,624	189,624
2041	180,000	12,031	192,031
2042	185,000	4,046	189,046
	$18,280,000	$3,970,091	$22,250,091

a. Does not include payments made to date.

Debt Service Requirements – 2012 Energy Performance Contract [a]

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	218,930	27,811	246,741
2024	223,976	22,766	246,742
2025	229,137	17,605	246,742
2026	234,417	12,325	246,742
2027	239,819	6,923	246,742
2028	121,974	1,397	123,371
	$1,268,253	$88,827	$1,357,080

a. Does not include payments made to date.

Debt Service Requirements – 2017 Energy Performance Contract [a]

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	273,494	74,242	347,736
2024	279,978	67,758	347,736
2025	286,616	61,120	347,736
2026	293,412	54,324	347,736
2027	300,368	47,368	347,736
2028	307,489	40,247	347,736
2029	314,780	32,956	347,736
2030	322,243	25,493	347,736
2031	329,883	17,853	347,736
2032	337,704	10,032	347,736
2033	171,843	2,025	173,868
	$3,217,810	$433,418	$3,651,228

a. Does not include payments made to date.

Tax Anticipation Notes

The District has generally found it necessary to borrow from time to time in anticipation of taxes, which borrowing is necessitated by the schedule of real property tax payments.

The following is a history of such tax anticipation note borrowings for the five most recent fiscal years:

Fiscal Year Ending June 30:	Amount	Issue	Maturity
2018	$ 10,000,000	07/13/2017	06/27/2018
2019	11,000,000	08/22/2018	06/27/2019
2020	11,000,000	08/28/2019	06/25/2020
2021	12,000,000	08/27/2020	06/25/2021
2022	12,000,000	09/09/2021	06/24/2022

Authorized and Unissued Debt

As of the date of this Official Statement, the District has authorized and unissued debt outstanding, in the amount of $30,000,000 for capital improvements to various buildings. $5,000,000 of the authorized and unissued debt outstanding is being issued by the Bonds.

Calculation of Estimated Overlapping and Underlying Indebtedness

Overlapping Units	Date of Report	Percentage Applicable (%)	Applicable Total Indebtedness	Applicable Net Indebtedness
County of Suffolk	06/30/2022	0.79	$ 10,791,077	$ 9,404,375
Town of Brookhaven	06/29/2022	3.69	17,735,247	17,037,099
Miller Place Fire District	07/01/2022	100.00	290,000	290,000
Sound Beach Fire District	07/01/2022	5.00	2,470,000	2,470,000
Totals			$31,286,324	$29,201,474

Sources: Annual Reports of the respective units for the most recently completed fiscal year on file with the Office of the State Comptroller or more recently published Official Statements.

Debt Ratios
(As of July 27, 2022)

	Amount	Per Capita [a]	Percentage of Full Value (%) [b]
Total Direct Debt	$ 18,185,000	$ 1,423	0.79
Net Direct Debt	5,017,984	393	0.22
Total Direct & Applicable Total Overlapping Debt	49,471,324	3,873	2.14
Net Direct & Applicable Net Overlapping Debt	34,219,458	2,679	1.48

a. Current population of the District is 12,775.
b. The full valuation of taxable property for 2020-21 is $2,316,083,784.

FINANCES OF THE DISTRICT

Impact of COVID-19

The District has incurred certain expenses associated with the COVID-19 pandemic, including but not limited to, costs related to cleaning supplies and equipment, desk shields and personal protection equipment. The District has paid such costs from budgetary appropriations and/or available funds. The District does not believe that the increased costs described above or any potential reductions in State aid will have a material adverse impact on the finances of the District. (See also *"State Aid"* herein.)

In December of 2020, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act was enacted as the second act of federal relief in response to COVID-19. The CRRSA Act provides approximately $4.3 billion to support schools in the State, with the funds available to be spent through September 2023. This in addition to the $1.2 billion in Federal Coronavirus Aid, Relief and Economic Security (CARES) Act funding, which can be spent through September 2022. The CRRSA Act provides the State with $4.0 billion through the Elementary and Secondary School Emergency Relief (ESSER) Fund and $323 million through the Governor's Emergency Education Relief (GEER) Fund. Districts may generally use these funds for broad purposes, including general operating and pandemic-related costs such as purchasing personal protective equipment. Additionally, the State has been allocated approximately $9.0 billion under the American Rescue Plan (ARP) Act's Elementary and Secondary School Emergency Relief Fund (ESSER).

The District has received $209,733 in CARES Act funding in fiscal year 2020-2021 and has been allocated $260,712 in fiscal year 2021-2022 for the GEER grant. The District is expected to receive a total of $1,962,017 through CRRSA and $1,227,328 through ARP funding. See also "*State Aid*" herein.

Independent Audit

The financial affairs of the District are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the District has complied with the requirements of various state and federal statutes. The financial statements of the District are audited each year by an independent public accountant. The last such audit covers the fiscal year ended June 30, 2021. A copy of such report is included herein as Appendix B.

Investment Policy

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

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

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

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

Fund Structure and Accounts

The General Fund is the general operating fund for the District and is used to account for substantially all revenues and expenditures of the District. The District also maintains a special aid fund and school lunch fund. In addition, a capital projects fund is used to record capital facility projects, while a trust and agency fund accounts for assets received by the District in a fiduciary capacity.

Basis of Accounting

The district-wide and fiduciary fund financial statements are reported on the accrual basis of accounting using the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transaction, in which the District gives or receives value without directly receiving or giving equal value in exchange, include real property taxes, grants and donations. On an accrual basis, revenue from real property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the related expenditures are incurred.

The fund statements are reported on the modified accrual basis of accounting using the current financial resources measurement focus. Revenues are recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenues are collected within 180 days after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Source: Audited Financials of the District.

Budget Process

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

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

Revenues

The District receives most of its revenue from a real property tax on all non-exempt real property situated within the District and State aid. A summary of such revenues for the five most recently completed fiscal years may be found in Appendix A.

Real Property Taxes

See *"Tax Information"* herein.

State Aid

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

The following table sets forth the percentage of the District's General Fund revenue comprised of State aid for each of the fiscal years 2017 through 2021, and the amounts budgeted for 2022 and 2023.

Fiscal Year Ending June 30:	General Fund Total Revenue	State Aid	State Aid to Revenues (%)
2017	$ 67,310,308	$ 21,449,297	31.87
2018	67,884,466	21,593,966	31.81
2019	70,140,751	22,888,488	32.63
2020	70,977,329	22,944,962	32.33
2021	72,303,200	23,739,263	32.83
2022 (Budgeted)[a]	76,520,451	23,150,501	30.25
2023 (Budgeted)[a]	77,670,226	23,382,852	30.11

Source: Audited Financial Statements of the District and Adopted Budgets of the District.

a. Budgeted revenues include the application of reserves and fund balance.

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 has declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses for an extended period. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to continue to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. The use of federal stimulus funds has allowed the State to avoid gap closing measurements; however, the State may be required to implement gap closing measurements in the future. Such actions may include, but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of school districts in the State, including the District.

The State's 2020-21 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% of estimates or if actual disbursements exceeded 101% of estimates. Pursuant to that provision, in October 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. In December 2020, a second federal stimulus bill was enacted and provided additional funding for schools in the State. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received and the State released all of the withheld funds on or about June 30, 2021.

The State's 2021-22 Enacted Budget provided $29.5 billion in State funding to school districts for the 2021-22 school year the highest level of State aid ever. This represented an increase of $3.0 billion or 11.3 percent compared to the 2020-21 school year, and includes a $1.4 billion or 7.6 percent Foundation Aid increase. Approximately 75 percent of this increase is targeted to high-need school districts. The State's 2021-22 Enacted Budget also programs $13 billion of federal Elementary and Secondary School Emergency Relief Fund and the Governor's Emergency Education Relief Fund to public schools. This funding available for use over multiple years, is designed to assist schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2021-22 Enacted Budget allocates $629 million of these funds to school districts as targeted grants to support efforts to address learning loss through activities such as summer enrichment and comprehensive after-school programs. In addition, the State's 2021-22 Enacted Budget uses $105 million of federal funds to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2021-22 school year.

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

As described above, the State's 2020-21 Enacted Budget included, and the State's 2021-22 Enacted Budget includes, significant amounts of federal funding. 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. (See also "*Impacts of COVID-19*" herein.)

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

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

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.

State Aid Litigation

In January 2001, the State Supreme Court issued a decision in Campaign for Fiscal Equity v. New York mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation, on appeal in 2006, the Court of Appeals held that $1.93 billion of additional funds for the New York City schools – as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education – was reasonably determined. State legislative reforms in the wake of The Campaign for Fiscal Equity decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as foundation aid. The stated purpose of foundation aid is to prioritize funding distribution based upon student need. As a result of the Court of Appeals ruling schools were to receive $5.5 billion increase in foundation aid over a four fiscal year phase-in covering 2007 to 2011.

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments. The final phase-in of foundation aid as originally projected has not occurred as of this date. See also "*School district fiscal year (2021-2022)*" herein.

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent "gross education inadequacies", claims regarding State funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Kathy Hochul announced that New York State has reached an agreement to settle and discontinue the New Yorkers for Students' Educational Rights v. New York State case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing this much-needed funding to our students. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the historic Campaign for Fiscal Equity cases, and had been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create an equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enshrined this commitment into law. A breakdown of currently anticipated Foundation Aid funding is available below:

- FY 2022: $19.8 billion, covering 30% of the existing shortfall
- FY 2023: Approximately $21.3 billion, covering 50% of the anticipated shortfall
- FY 2024: Approximately $23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts

Events Affecting State Aid to New York School Districts

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

School district fiscal year (2014-2015): The State Legislature adopted the State budget on March 31, 2014. The State's 2014-2015 Budget included a $1.1 billion or 5.3% increase in State aid to school districts for the 2014-2015 school year. High-need school districts received 70% of the State aid increase. The State's 2014-2015 Budget restored $602 million of Gap Elimination Adjustment reductions that had been imposed on school districts from 2010-2011 to 2012-2013. The State's 2014-2015 Budget invested $1.5 billion over five years to support the phase-in of a Statewide universal full-day pre-kindergarten program.

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

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

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

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

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

School district fiscal year (2020-2021): Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget 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 reflect 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 exceed 101% of estimates. See "*State Aid*" herein for a discussion of this provision set forth in the State's 2020-2021 Enacted Budget and recent releases by the State regarding the projected revenue shortfalls in such budget.

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

School district fiscal year (2022-2023): For the 2022-2023 Enacted Budget provides $31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represents an increase of $2.1 billion or 7.2% compared to the 2021-2022 school year and includes a $1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-2023 Enacted Budget also programs $14 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, is designed to assist schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocates $100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increases federal funds buy $125 million to expand access to full-day prekindergarten programs for four-year old children in school districts statewide in the 2022-23 school year.

The Smart Schools Bond Act was passed as part of the Enacted 2014-2015 State Budget. The Smart Schools Bond Act authorizes the issuance of $2 billion of general obligation bonds by the State to finance improved educational technology and infrastructure to enhance learning and opportunity for students throughout the State.

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. 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*").

Expenditures

The major categories of expenditure for the District are General Support, Instruction, Employee Benefits, Pupil Transportation and Debt Service. A summary of the expenditures for the five most recently completed fiscal years may be found in Appendix A.

The State Comptroller's Fiscal Stress Monitoring System and OSC Compliance Reviews

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school districts 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 ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the Office of the State Comptroller (OSC). 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 OSC designates the District as "No Designation" (Fiscal Score: 6.7%; Environmental Score: 5.0%). More information on the FSMS may be obtained from the Office of the State Comptroller.

In addition, OSC helps local government officials manage government resources efficiently and effectively. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through its audits, which identify opportunities for improving operations and governance. The most recent audit was released on July, 2016. The purpose of the audit was to examine the District's check signing for appropriate use and compliance with the District policies for the period July 1, 2015 through November 30, 2016. The complete report, along with the District's response, may be found on the OSC's official website.

References to websites and/or website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

Employee Pension System

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

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

On March 16, 2012, Governor Cuomo signed into law Chapter 18 of the Laws of 2012, which legislation provides for a new Tier 6 for employees hired after April 1, 2012. This new pension tier has progressive employee contribution rates between 3% and 6% and such employee contributions continue so long as the employee continues to accumulate pension credits; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under Tier 6, the pension multiplier is 1.75% for the first 20 years of service and 2% thereafter; vesting will occur after 5 years; the time period for calculation of final average salary is increased from three years to five years; and the amount of overtime to be used to determine an employee's pension is capped at $15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. It also includes a voluntary, portable, defined contribution plan option for new non-union employees with salaries of $75,000 or more.

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

Due to poor performance of the investment portfolio of TRS and ERS during the recent financial crisis, the employer contribution rates for required pension payments to the TRS and ERS increased substantially. To help mitigate the impact of such increases, various forms of legislation have been enacted that permitted school districts to amortize a portion of its annual employer pension payments. The District has not amortized any of its employer pension payments pursuant to such legislation and expects to continue to pay all payments in full when due.

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

The following chart represents the ERS and TRS required contributions for each of the last five completed fiscal years and the amounts budgeted for the 2022 fiscal year.

Fiscal Year Ending June 30:	TRS	ERS
2018	$ 3,002,863	$ 975,004
2019	3,114,221	941,758
2020	2,744,419	954,115
2021	2,749,583	846,237
2022 (Budgeted)	3,065,290	957,077

Source: District Officials.

Other Post-Employment Benefits

The District provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School districts and Boards of Cooperative Education Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees. This protection from unilateral reduction of benefits had been extended annually by the New York State Legislature until recently when legislation was enacted to make permanent these health insurance benefit protections for retirees. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of the date hereof. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

GASB Statement No. 75 ("GASB 75") of the Governmental Accounting Standards Board ("GASB"), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits ("OPEB"). GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 75 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

During the year ended June 30, 2018, the District adopted GASB 75, which supersedes and eliminates GASB 45. Under GASB 75, based on actuarial valuation, an annual required contribution ("ARC") will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 75 establishes new standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures to provide more transparent reporting and useful information about the liability and cost of benefits. Municipalities and school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. It is measured as of a date no earlier than the end of the employer's prior fiscal year and no later than the employer's current fiscal year. The discount rate is based on 20-year, tax exempt general obligation municipal bonds. There is no amortization of prior service cost. Those that have more than 200 participants are required to have a full actuarial valuation annually. Plans with fewer than 200 participants are required to have a full valuation every two years.

The District's total OPEB liability at June 30, 2021 is as follows:

Changes in the Total OPEB Liability	Fiscal Year Ending June 30, 2021:
Balance as of June 30, 2020	$134,058,241
Changes for the year:	
Service Cost	5,270,674
Interest	3,049,126
Differences between actual and expected experience	(4,495,397)
Changes in assumptions or other outputs	(3,249,759)
Benefit payments	(2,733,743)
Total Changes	($2,159,099)
Total OPEB liability as of June 30, 2021	$131,899,142

The OSC has recently proposed legislation to provide the State and certain local governments with the authority to establish trusts in which to accumulate assets for OPEB and to 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. The District cannot predict at this time whether such proposed legislation will be enacted into law. 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 has decided to continue funding the expenditure on a pay-as-you-go basis.

Should the District be required to fund its unfunded actuarial accrued 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.

TAX INFORMATION

Real Property Taxes

The District derives its power to levy an ad valorem real property tax 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 the Town of Brookhaven. Assessment valuations are determined by the Town assessors and the State Board of Real Property Services which is responsible for certain utility and railroad property. In addition, the State Board of Real Property Services annually establishes State 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 or debt contracting and real property taxing limitations. The District is not subject to constitutional real property taxing limitations; however, see "*The Tax Levy Limit Law*" herein for a discussion of certain statutory limitation that have been imposed

The following table sets forth the percentage of the District's General Fund revenue (excluding other financing sources) comprised of real property taxes for each of the fiscal years 2017 through 2021, and the amounts budgeted for 2022 and 2023.

Fiscal Year Ending June 30:	Total Revenue	Real Property Taxes	Real Property Taxes to Revenues (%)
2017	$ 67,310,308	$ 44,757,742	66.49
2018	67,884,466	45,028,913	66.33
2019	70,140,751	46,292,388	66.00
2020	70,977,329	46,931,435	66.12
2021	72,303,200	47,618,352	65.86
2022 (Budgeted)[a]	76,520,451	48,769,567	63.73
2023 (Budgeted)[a]	77,670,226	49,852,450	64.18

Source: Audited Financial Statements of the District and Adopted Budgets of the District.

a. Budgeted estimates for real property taxes include STAR. Budgeted estimates for total revenues include appropriations of fund balance.

Tax Collection Procedure

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

The Town Tax Receiver distributes the collected tax money to the Town, fire and school districts prior to distributing the balance collected to the County. Uncollected amounts are not segregated by the Receivers and any deficiency in tax collection is the County's liability. The District thereby is assured of full tax collection.

The Tax Levy Limit Law

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

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

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

The Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures (such as the Bonds) and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Law. However, such exclusion does NOT apply to taxes to pay debt service on tax anticipation notes (such as the Notes), revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

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 $66,800 for the 2018-19 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $500,000 are eligible for a $30,000 "full value" exemption on their primary residence. School districts receive full reimbursement from the State for real property taxes exempted pursuant to the STAR program by the first business day in January of each year.

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

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

The 2019-20 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 10% of the District's 2020-2021 school tax levy was exempted by the STAR program and the District has received full reimbursement of such exempt taxes from the State. Approximately 10% of the District's 2021-2022 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 2022. (See *"State Aid"* herein).

Valuations, Rates and Levies

The following table sets forth District's assessed and full valuations, tax rates and levies for each of the years 2017 through 2022.

Fiscal Year Ending June 30	Assessed Valuation	State Equal. Rate (%)	Full Valuation	Tax Rate Per $1,000 Assessed Valuation	Tax Levy
2017	$17,109,031	0.91	$1,880,113,297	261.55	$44,757,742
2018	17,159,844	0.90	1,906,649,333	262.41	45,028,780
2019	17,144,529	0.86	1,993,549,884	270.00	46,290,054
2020	17,209,970	0.79	2,178,477,215	272.68	46,928,588
2021	17,176,874	0.77	2,230,762,857	276.83	48,769,567
2022	17,139,020	0.74	2,225,846,753	284.32	49,852,450

Source: Town Brookhaven.

Selected Listing of Large Taxable Properties in the District
2021-2022 Assessment Roll

Name	Type	Assessed Valuation
Long Island Power Authority	Utility	$359,913
Miller Place Realty LLC	Commercial	107,500
Pina Construction Corp.	Commercial	102,000
Keyspan	Utility	83,481
Giannone Spirito Miller Place LLC	Commercial	74,000
Sylvan Gardens Owners	Commercial	59,100
Shtraker Corp & Sam Weissman EM Properties	Commercial	52,960
Icky Corp.	Commercial	41,590
Verizon, New York Inc.	Utility	35,501
YFP Long Island LLC.	Commercial	24,330
North Shore Office Building, Inc.	Commercial	19,890
ASGF Realty LLC	Commercial	17,250
Biz Biz Corp & Chich Corp	Commercial	17,000
A B of Sayville LTD	Commercial	16,930
451 Miller place Plaza Inc.	Commercial	16,500
	Total [a]	$1,027,945

Source: Town Assessment Roll.
a. Represents 6.00% of the Assessed Valuation of the District for 2021-2022.

CYBERSECURITY

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

LITIGATION

In common with other school districts, the District from time to time receives notices of claim and is party to litigation. In the opinion of the District, after consultation with its attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no significant claims or actions pending in which the District has not asserted a substantial and adequate defense, nor which, if determined against the District, would have an adverse material effect on the financial condition of the District.

The District received a Notice of Claim on or about April 14, 2020 dated April 10, 2020 filed on behalf of a purported former employee of an alleged outside contractor, alleging that he developed lung cancer as a result of, among other things, asbestos exposure while performing telecommunications work as an outside electrical contractor at the District's High School, Middle School, Primary School, and Elementary School from 1995 to 1996. The District's current insurance carrier, Utica National, disclaimed coverage for the Claim because Utica was not the District's insurer when the claimant's injuries allegedly occurred. The District is in the process of ascertaining whether insurance coverage it had with a different carrier for this period of time will provide coverage, as well as preparing to conduct a General Municipal Law §50-h examination of the claimant in order to gain more insight into the nature of his injuries and the extent of the District's potential liability. The claimant has served approximately 40 other potential defendants with Notices of Claim for his injuries.

RATING

Moody's Investors Service ("Moody's") has assigned a rating of "Aa2" to the Outstanding Bonds of the District. This rating will reflect only the view of such rating agency and an explanation of the significance of such rating should be obtained from Moody's, 7 WTC at Greenwich Street, New York, NY, Phone: (212) 553-4055 and Fax: (212) 298-6761. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigation, studies and assumptions by the rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of such ratings could have an adverse affect on the market price of the Bonds or the availability of a secondary market for such Bonds.

RISK FACTORS

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

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

If and when an owner of any of the Bonds and the Notes should elect to sell all or a part of the Bonds and the Notes prior to maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Bonds and the Notes. The market value of the Bonds and the Notes is dependent upon the ability of holder to potentially incur a capital loss if such Bonds and Notes are sold prior to its maturity.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Bonds and the Notes. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the District to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Bonds and the Notes, could be adversely affected.

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

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the COVID-19 outbreak has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to continue to affect economic growth worldwide. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also 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 extended periods. Efforts to contain the spread of COVID-19 has reduced the spread of the virus and there significant efforts to relax many of the restrictions put in place following the initial outbreak. Nevertheless, the outbreak of COVID-19 and the dramatic steps taken by the Federal government and State to address it are expected to negatively impact federal and local economies, including the economy of the State. The spread of the outbreak or resurgence could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "*State Aid*" and "*Events Affecting New York School Districts*" herein).

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Bonds and the Notes, for income taxation purposes could have an adverse effect on the market value of the Bonds and the Notes (see "*TAX MATTERS*" herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District, without providing exclusion for debt service on obligations issued by municipalities and fire districts, may affect the market price and/or marketability for the Bonds and the Notes. (See "*The Tax Levy Limit Law*" under "TAX INFORMATION" herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the District could impair the financial condition of such entities, including the District and the ability of such entities, including the District to pay debt service on the Bonds and the Notes.

TAX MATTERS FOR THE BONDS AND NOTES

Opinion of Bond Counsel

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

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

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

Certain Ongoing Federal Tax Requirements and Certifications

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

Certain Collateral Federal Tax Consequences

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

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

Original Issue Discount

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of Bond or Note (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Bonds or Notes. In general, the issue price for each maturity of Bonds and Notes is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel further is of the opinion that, for any Bonds or Notes having OID (a "Tax-Exempt Discount Bond"), OID that has accrued and is properly allocable to the owners of the Tax-Exempt Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Bonds and Notes. In general, under Section 1288 of the Code, OID on a Tax-Exempt Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Tax-Exempt Discount Bond. An owner's adjusted basis in a Tax-Exempt Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Tax-Exempt Discount Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Tax-Exempt Discount Bond even though there will not be a corresponding cash payment.

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

Bond and Note Premium

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

Information Reporting and Backup Withholding

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

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

Miscellaneous

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

The Inflation Reduction Act, H.R. 5376 (the "IRA"), has been passed by both houses of Congress and is expected to be signed by the President; as passed, the IRA includes a 15 percent alternative minimum tax to be imposed on the "adjusted financial statement income," as defined in the IRA, of certain corporations for tax years beginning after December 31, 2022. If the IRA is enacted as passed, interest on the Bonds and the Notes will be included in the "adjusted financial statement income" of such corporations for purposes of computing such alternative minimum tax.

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

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds and the Notes will be subject to the respective final approving opinions of Hawkins Delafield & Wood LLP, Bond Counsel, substantially as set forth in Appendix D hereto.

DISCLOSURE UNDERTAKINGS

At the time of the delivery of the Bonds and the Notes, the District will execute an Undertaking to Provide Continuing Disclosure and an Undertaking to Provide Notices of Events, respectively for the Bonds and the Notes. The forms of such undertakings are attached hereto as Appendix E and F.

RATINGS

The Notes are not rated. The District has applied to Moody's Investors Service ("Moody's"), 7 WTC at Greenwich Street, New York, NY, Phone: (212) 553-4055 and Fax: (212) 298-6761 for rating on the Bonds. Such application is pending at this time. This rating will reflect only the view of such rating agency and an explanation of the significance of such rating should be obtained from the respective rating agency. There can be no assurance that such rating will not be revised or withdrawn, if in the judgement of agency circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price and the availability of a secondary market for the outstanding bonds and notes of the District.

MUNICIPAL ADVISOR

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

ADDITIONAL INFORMATION

Additional information may be obtained from the office of Colleen V. Card, School Business Official, Miller Place Union Free School District, 7 Memorial Drive, Miller Place, NY 11764, telephone number (631) 474-2700 e-mail: ccard@millerplace.k12.ny.us or from Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number (631) 331-8888 and website: www.munistat.com.

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's management's beliefs as well as assumptions made by, and information currently available to, the District's 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's files with the repositories. When used in District's 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 and the Notes.

Munistat Services, Inc. may place a copy of this Official Statement on its website at www.munistat.com. 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. Munistat Services, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the District nor Munistat Services, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Munistat Services, Inc. and the District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Munistat Services, Inc. and the District also assume no liability or responsibility for any errors or omissions or unauthorized editing or for any updates to dated website information.

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

By: s/s LISA REITAN
President of the Board of Education
Miller Place Union Free School District
Miller Place, New York

August , 2022

APPENDIX A

FINANCIAL INFORMATION

Statement of Revenues, Expenditures and Changes In Fund Equity
General Fund

	2017	2018	2019	2020	2021
Revenues:					
Real Property Taxes	$ 39,503,446	$ 39,891,703	$ 41,324,484	$ 42,690,779	$ 43,729,812
Other Real Property Tax Items	5,254,296	5,137,210	4,967,904	4,240,656	3,888,540
Charges for Services	254,605	129,961	8,227	4,979	
Use of Money and Property	81,194	130,039	322,208	315,201	61,782
Sale of Property & Comp. for Loss	7,748	1,225	12,800	6,760	
Miscellaneous	750,196	989,570	606,970	765,616	858,153
State Sources	21,449,297	21,593,966	22,888,488	22,944,962	23,739,263
Medicaid Reimbursement	9,526	10,992	9,670	8,376	25,650
Total Revenues	67,310,308	67,884,666	70,140,751	70,977,329	72,303,200
Expenditures:					
General Support	7,184,707	7,590,918	8,822,521	7,099,253	8,080,427
Instruction	37,091,470	39,174,683	37,800,351	39,753,999	42,282,622
Pupil Transportation	2,965,315	3,084,266	3,155,381	2,844,668	3,056,960
Employee Benefits	14,527,097	14,926,094	15,213,347	14,690,782	15,595,815
Debt Service	4,283,556	4,018,705	4,276,509	3,713,210	3,724,923
Total Expenditures	66,052,145	68,794,666	69,268,109	68,101,912	72,740,747
Other Financing Sources & (Uses)					
Operating Transfers In	428,571	429,842	428,571	238,060	17,575
Operating Transfers (Out)	(331,642)	(663,651)	(570,170)	(441,890)	(1,423,295)
Total Other Financing Sources & (Uses)	96,929	(233,809)	(141,599)	(203,830)	(1,405,720)
Net Change in Fund Balances	1,355,092	(1,143,809)	731,043	2,671,587	(1,843,267)
Fund Balance Beginning of Year	14,063,366	15,418,458	14,274,649	15,005,692	17,677,279
Fund Balance End of Year	$ 15,418,458	$ 14,274,649	$ 15,005,692	$ 17,677,279	$ 15,834,012

Source: Audited Financial Reports of the District (2017-2021)
NOTE: Table is not audited

Balance Sheet
General Fund

	Fiscal Year Ending June 30: 2020	2021
Assets:		
Cash		
Unrestricted	$ 10,668,461	$ 10,219,755
Restricted	9,749,077	9,745,909
Receivables		
Account Receivable	17,312	8,389
Due From Other Funds	741,691	652,039
Due From Other State and Federal	1,398,636	588,782
Due From Other Governments	1,517,880	2,243,471
Total Assets	$ 24,093,057	$ 23,458,345
Liabilities:		
Accounts Payable	$ 762,573	$ 1,036,671
Accrued Liabilities	345,834	633,986
Due to Other Funds	938	2,896
Due to Other Governments	1,925,175	2,372,981
Due to Teachers Retirement System	2,496,925	2,938,987
Due to Employees Retirement System	233,679	279,600
Other Liabilities		150,558
Deferred Revenues	650,654	208,654
Total Liabilites	$ 6,415,778	$ 7,624,333
Fund Balances (Deficit):		
Restricted	$ 9,749,077	$ 9,745,909
Assigned	4,905,249	3,036,330
Unassigned	3,022,953	3,051,773
Total Fund Balance (Deficit)	$ 17,677,279	$ 15,834,012
Total Liabilities, Deferred Inflows of Resources & Fund Balances	$ 24,093,057	$ 23,458,345

Sources: Audited Financial Statements of the District (202-2021)
NOTE: This table NOT audited

Budget Summary
General Fund

	Fiscal Year Ending June 30: 2022-23 [a]	2021-22 [b]
Revenues:		
Real Property Taxes	$ 49,852,450	$ 48,769,567
Other Revenue	577,000	577,000
State Sources	23,382,852	23,150,501
Other Financing Sources & Uses		
Appropriation of Reserves	1,202,822	1,368,282
Appropriation of Fund Balance	2,655,101	2,655,101
Total Revenues	$ 77,670,226	$ 76,520,451
Expenditures:		
General Support	$ 7,872,409	$ 7,805,720
Instruction	43,822,285	43,121,381
Pupil Transportation	4,348,434	4,225,573
Community Service	50	50
Employee Benefits	17,695,419	17,110,464
Debt Service	3,648,630	3,821,928
Interfund Transfers	283,000	435,336
Total Expenditures	$ 77,670,226	$ 76,520,451

(a) Approved by the voters of the District on May 17, 2022
(b) Approved by the voters of the District on May 18, 2021.

Source: Adopted Budgets of the District

APPENDIX B

CASH FLOW SUMMARIES

MILLER PLACE UNION FREE SCHOOL DISTRICT

CASH FLOW ACTUAL 2021-2022 (000's)[a]

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Balance	11,391	8,653	6,305	16,395	13,065	8,562	1,262	23,514	21,170	25,566	21,013	21,276	11,391
Receipts													
Property Taxes (Incl. Library)						1,962	21,952	3,986	767	552	3,587	14,590	47,396
Interest Income	2	1	2	2	2	1	2	2	1	1	1	1	18
STAR Payment							3,728						3,728
State Aid		573	2,728	88	88	578	1,188	88	8,963		2,175	1,722	18,191
State Aid to be Transferred	488	199	482	585	149	237	171	320	940	93	364	1	4,029
BOCES Aid/Refunds	751			1,284			321						2,356
Insurance Recoveries		4	3				4						11
Other Income	83	16	23	5	196	184	22	120	129	5	35	24	842
Transfers from Other Funds									63			16	79
TAN Proceeds			12,129										12,129
Total Receipts	1,324	793	15,367	1,964	435	2,962	27,388	4,516	10,863	651	6,162	16,354	88,779
Disbursements													
Salaries	1,463	434	1,612	1,623	1,716	2,543	2,014	1,657	1,596	1,672	1,782	4,621	22,733
Operating Expenses	2,023	2,434	2,862	3,413	3,172	6,155	2,948	3,437	4,300	2,908	3,602	7,713	44,967
Debt Service	324	273		123		87	174	1,661		124		807	3,573
TAN Principal Repayment												12,000	12,000
TAN Interest Repayment												143	143
Transfer to Other Funds	252		803	135	50	1,477		105	571	500	515	470	4,878
Total Disbursements	4,062	3,141	5,277	5,294	4,938	10,262	5,136	6,860	6,467	5,204	5,899	25,754	88,294
Balance	8,653	6,305	16,395	13,065	8,562	1,262	23,514	21,170	25,566	21,013	21,276	11,876	11,876
Note Repayment Account													
Opening Balance	0	0	0	0	0	0	0	0	0	0	0	0	0
Receipts	0	0	0	0	0	0	0	0	0	0	0	12,000	12,000
Disbursements	0	0	0	0	0	0	0	0	0	0	0	12,000	12,000
Closing Balance	0	0	0	0	0	0	0	0	0	0	0	0	0

a. The July 1, 2021 opening balance does not include approximately $9.7 million in restricted reserves.

MILLER PLACE UNION FREE SCHOOL DISTRICT

CASH FLOW PROJECTION 2022-2023 (000's)[a]

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Balance	11,876	8,778	6,664	16,871	12,352	6,516	349	16,771	13,468	23,504	18,599	19,716	11,876
Receipts													
Property Taxes (Incl. Library)						800	20,000	3,450	6,000	600	3,000	16,000	49,850
Interest Income	1	1	2	2	2	2	3	3	3	4	3	4	30
STAR Payment							3,728						3,728
State Aid		500	3,500	150	255	1,800	300	650	9,000		2,900	3,000	22,055
State Aid to be transferred to other Funds	120												120
BOCES Aid/Refunds	731			749									1,480
Other Income	5	5	5	4	7	5	15	15	129	14	14	20	238
Interfund Transfers									64			14	78
TAN Proceeds			12,000										12,000
Total Receipts	857	506	15,507	905	264	2,607	24,046	4,118	15,196	618	5,917	19,038	89,579
Disbursements													
Salaries	1,400	800	2,900	3,000	3,000	3,000	4,500	2,700	2,500	2,500	2,000	7,000	35,300
Operating Expenses	1,950	1,500	1,900	2,000	3,000	5,500	2,900	3,000	2,500	2,400	2,600	5,000	34,250
Debt Service	322	240		124		74	174	1,421		123		830	3,308
TAN Principal Repayment												12,000	12,000
TAN Interest Repayment													0
Transfer to Other Funds	283	80	500	300	100	200	50	300	160	500	200	8	2,681
Total Disbursements	3,955	2,620	5,300	5,424	6,100	8,774	7,624	7,421	5,160	5,523	4,800	24,838	87,539
Balance	8,778	6,664	16,871	12,352	6,516	349	16,771	13,468	23,504	18,599	19,716	13,916	13,916
Note Repayment Account													
Opening Balance	0	0	0	0	0	0	0	0	0	0	0	0	0
Receipts	0	0	0	0	0	0	0	0	0	0	0	12,000	12,000
Disbursements	0	0	0	0	0	0	0	0	0	0	0	12,000	12,000
Closing Balance	0	0	0	0	0	0	0	0	0	0	0	0	0

a. The July 1, 2022 opening balance does not include approximately $8.6 million in restricted reserves

MILLER PLACE UNION FREE SCHOOL DISTRICT

APPENDIX C

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

NOTE: SUCH FINANCIAL REPORT AND OPINIONS WERE PREPARED AS OF THE DATE THEREOF AND HAVE NOT BEEN REVIEWED AND/OR UPDATED IN CONNECTION WITH THE PREPARATION AND DISSEMINATION OF THIS OFFICIAL STATEMENT. CONSENT OF THE AUDITORS HAS NOT BEEN REQUESTED OR OBTAINED.

MILLER PLACE
UNION FREE SCHOOL DISTRICT

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORTS

June 30, 2021

MILLER PLACE UNION FREE SCHOOL DISTRICT

TABLE OF CONTENTS

CULLEN & DANOWSKI, LLP
CERTIFIED PUBLIC ACCOUNTANTS

VINCENT D. CULLEN, CPA
(1950 – 2013)

JAMES E. DANOWSKI, CPA
PETER F. RODRIGUEZ, CPA
JILL S. SANDERS, CPA
DONALD J. HOFFMANN, CPA
CHRISTOPHER V. REINO, CPA
ALAN YU, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Miller Place Union Free School District
Miller Place, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the fiduciary fund of the Miller Place Union Free School District (District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified and qualified audit opinions.

1650 ROUTE 112, PORT JEFFERSON STATION, NEW YORK 11776-3060
PHONE: 631-473-3400 FAX: 631-473-4863 WWW.CDLLP.NET

Summary of Opinions

Opinion Unit	**Type of Opinion**
Governmental Activities	Unmodified
General Fund	Unmodified
Special Aid Fund	Unmodified
School Food Service Fund	Unmodified
Debt Service Fund	Unmodified
Capital Projects Fund	Unmodified
Extraclassroom Activities Fund	Qualified
Scholarships Fund	Unmodified
Fiduciary Fund	Unmodified

Basis for Qualified Opinion on the Extraclassroom Activities Fund

The records of the extraclassroom activities fund of the Miller Place Union Free School District were not adequate to permit the application of adequate auditing procedures to indicate whether all receipts were recorded.

Qualified Opinion

In our opinion, except for the effect of any adjustments that might have been necessary had we been able to perform adequate auditing procedures in regard to the receipts referred to in the "Basis for Qualified Opinion on the Extraclassroom Activities Fund" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the extraclassroom activities fund of the Miller Place Union Free School District, as of June 30, 2021, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, other than the extraclassroom activities fund, and the fiduciary fund of the Miller Place Union Free School District, as of June 30, 2021, and the respective changes in financial position for the year ended in accordance with accounting principles generally accepted in the United States of America.

Changes in Accounting Principles

As described in Note 2 to the financial statements, "Changes in Accounting Principles", the District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, as of June 30, 2021. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of revenues, expenditures and changes in fund balance – budget and actual – general fund, schedule of the District's proportionate share of the net pension asset/(liability), schedule of District pension contributions and schedule of changes in the District's total OPEB liability and related ratios on pages 4 through 16 and 53 through 57, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of

America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Miller Place Union Free School District's basic financial statements. The other supplementary information on pages 58 through 60 is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplementary information requested by the New York State Education Department. The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2021 on our consideration of the Miller Place Union Free School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Miller Place Union Free School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Miller Place Union Free School District's internal control over financial reporting and compliance.

Cullen & Danowski, LLP

September 10, 2021

The Miller Place Union Free School District's discussion and analysis of the financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2021 in comparison with the year ended June 30, 2020, with emphasis on the current year. This should be read in conjunction with the financial statements and notes to financial statements, which immediately follow this section.

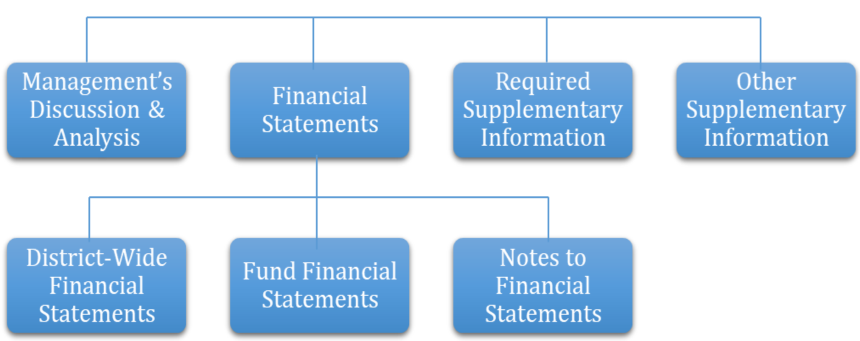
1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year June 30, 2021 are as follows:

- The District's total net position, as reflected in the district-wide financial statements, decreased by $9,620,581. This was due to an excess of expenses over revenues using the economic resources measurement focus and the accrual basis of accounting.
- The District's total net position at June 30, 2020 was restated and increased by $107,814, which is due to the required implementation of GASB Statement No. 84, *Fiduciary Activities*, during the 2021 fiscal year.
- The District's expenses for the year, as reflected in the district-wide financial statements, totaled $84,006,714. Of this amount, $2,647,819 was offset by program charges for services, operating grants, and capital grants. General revenues of $71,738,314 amount to 96.44% of total revenues.
- The District received $1,218,717 in operating grants to support instructional programs.
- The District's general fund fund balance, as reflected in the fund financial statements was $15,834,012 at June 30, 2021. This balance represents a $1,843,267 decrease (10.43%) from the prior year due to an excess of expenditures and other financing uses over revenues and other financing sources, using the current financial resources measurement focus and the modified accrual basis of accounting, as follows:
  - Restricted fund balances decreased by $3,168 due to the use of the reserves, offset by funding of reserves and interest allocated to the reserves.
  - Assigned fund balance decreased $1,868,919, as the District decreased both the fund balance appropriated to fund the 2022 budget and encumbrances compared to the prior year.
  - Unassigned fund balance increased by $28,820 to $3,051,773.
- The District's June 30, 2021 property tax levy of $47,616,059 was a 1.46% increase over the June 30, 2020 tax levy and was equal to the District's property tax cap.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – management's discussion and analysis (MD&A), the financial statements, required supplementary information, and other supplementary information. The financial statements consist of district-wide financial statements, fund financial statements, and notes to financial statements. A graphic display of the relationship of these statements follows:



A. District-Wide Financial Statements

The district-wide financial statements present the governmental activities of the District and are organized to provide an understanding of the fiscal performance of the District as a whole in a manner similar to a private sector business. There are two district-wide financial statements - the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the District's finances.

These statements utilize the economic resources measurement focus and the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

The Statement of Net Position presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of the District's school buildings and other facilities.

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net position are recorded at the time the underlying financial event occurs. Revenues are recognized in the period when they are earned and expenses are recognized in the period when the liability is incurred. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

B. Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the District are reported in the governmental funds and the fiduciary fund.

Governmental Funds

These statements utilize the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period when they become measurable and available. It recognizes expenditures in the period when the District incurs the liability, except for certain expenditures such as debt service on general long-term indebtedness, compensated absences, pension costs, and other postemployment benefits, which are recognized as expenditures to the extent the related liabilities mature each period.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, the governmental fund financial statements focus on shorter-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the District's operations and the services it provides.

Because the focus of governmental funds is narrower than that of district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, the reader may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds: general fund, special aid fund, school food service fund, capital projects fund, extraclassroom activity fund and scholarship fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

The District reports its fiduciary activities in the fiduciary fund – custodial fund. This fund reports real property taxes collected on behalf of other governments and disbursed to those governments, and utilizes the economic resources measurement focus and the accrual basis of accounting. All of the District's fiduciary activities are reported in a separate statement. The fiduciary activities have been excluded from the district-wide financial statements because the District cannot use these assets to finance its operations.

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The June 30, 2020 current and other assets, current and other liabilities and restricted net position were increased, resulting from the implementation of GASB Statement No. 84, *Fiduciary Activities*. These changes resulted in decreases to the unrestricted net position (deficit) and total net position (deficit). The following is a summary of these changes:

	As Restated 2020	As Reported 2020	Increase (Decrease)
Current and Other Assets	$ 25,403,687	$ 25,130,859	$ 272,828
Current and Other Liabilities	6,310,816	6,145,802	165,014
Restricted Net Position	9,784,247	9,749,077	35,170
Unrestricted Net Position (Deficit)	(103,056,419)	(103,129,063)	72,644
Total Net Position (Deficit)	(71,833,945)	(71,941,759)	107,814

The District's total net position decreased by $9,620,581 between fiscal year 2021 and 2020. The decrease is due to expenses in excess of revenues using the economic resources measurement focus and the accrual basis of accounting. A summary of the District's Statements of Net Position follows:

	2021	As Restated 2020	Increase (Decrease)	Percentage Change
Assets				
Current and Other Assets	$ 26,071,839	$ 25,403,687	$ 668,152	2.63 %
Capital Assets, Net	48,285,280	49,314,418	(1,029,138)	(2.09)%
Net Pension Asset - Proportionate Share		4,091,488	(4,091,488)	(100.00)%
Total Assets	74,357,119	78,809,593	(4,452,474)	(5.65)%
Deferred Outflows of Resources	54,394,553	58,396,019	(4,001,466)	(6.85)%
Liabilities				
Current and Other Liabilities	7,949,396	6,310,816	1,638,580	25.96 %
Long-Term Liabilities	33,123,578	35,608,888	(2,485,310)	(6.98)%
Net Pension Liability - Proportionate Share	4,348,492	4,775,084	(426,592)	(8.93)%
Total OPEB Liability	131,899,142	134,058,241	(2,159,099)	(1.61)%
Total Liabilities	177,320,608	180,753,029	(3,432,421)	(1.90)%
Deferred Inflows of Resources	32,885,590	28,286,528	4,599,062	16.26 %
Net Position (Deficit)				
Net investment in capital assets	22,888,059	21,438,227	1,449,832	6.76 %
Restricted	9,765,215	9,784,247	(19,032)	(0.19)%
Unrestricted (Deficit)	(114,107,800)	(103,056,419)	(11,051,381)	(10.72)%
Total Net Position (Deficit)	$ (81,454,526)	$ (71,833,945)	$ (9,620,581)	(13.39)%

The increase in current and other assets is primarily related to an increase in cash and due from other governments, offset by a decrease in due from state and federal. Due from other governments increased due to BOCES aid not being received before year-end.

The decrease in capital assets, net is due to depreciation expense in excess of capital asset additions. The accompanying Notes to Financial Statements, Note 10 "Capital Assets" provides additional information.

Net pension asset – proportionate share represents the District's share of the New York State Teachers' Retirement System's collective net pension asset, at the measurement date of the respective year. In the current year, the District's proportionate share shifted from an asset to a liability. The accompanying Notes to Financial Statements, Note 15 "Pension Plans – New York State" provides additional information.

Deferred outflows of resources represents contributions to the pension and OPEB plans subsequent to the measurement dates and actuarial adjustments of the pension and OPEB plans that will be amortized in future years, and the amount of deferred charges from the bond refunding that is being amortized over the remaining term of the bonds.

The increase in current and other liabilities is due to increases in accounts payable, due to other governments and due to teachers' retirement system. The increases in accounts payables and due to other governments is the result of transportation and tuition expenses being incurred at the end of the year, whereas, in the prior year, the District incurred fewer expenses near the end of the year in these areas as a result of the school closing from the COVID-19 pandemic. The increase in due to teachers' retirement system is primarily due to an increase in the contribution rate.

The decrease in long-term liabilities is primarily the result of the repayment of the current maturities of the bond indebtedness and energy performance contracts.

Net pension liability – proportionate share represents the District's share of the New York State Teachers' Retirement System and the New York State and Local Employees' Retirement System's collective net pension liabilities at the measurement date of the respective year. The accompanying Notes to Financial Statements, Note 15 "Pension Plans – New York State" provides additional information.

Total other postemployment benefits (OPEB) liability decreased, based on the actuarial valuation of the plan. The accompanying Notes to Financial Statements, Note 17 "Postemployment Healthcare Benefits", provides additional information.

Deferred inflows of resources represents actuarial adjustments of the pension and OPEB plans that will be amortized in future years.

The net investment in capital assets is the investment in capital assets at cost net of accumulated depreciation and related outstanding debt. The accompanying Other Supplementary Information, Schedule of Net Investment in Capital Assets provides additional information.

The restricted amount relates to the District's reserves. This number decreased from the prior year principally due to expenditures from the retirement contribution reserve, and the workers' compensation reserve.

The unrestricted (deficit) amount relates to the balance of the District's net position. This balance does not include the District's reserves, which are classified as restricted. Additionally, certain unfunded liabilities will have the effect of reducing the District's unrestricted net position. One such unfunded liability is the total OPEB liability. In accordance with state guidelines, the District is only permitted to fund OPEB on a "pay as you go" basis, and is not permitted to accumulate funds for the OPEB liability.

B. Changes in Net Position

The June 30, 2020 revenues for charges for services and instruction expenses were increased, resulting from the implementation of GASB Statement No. 84, *Fiduciary Activities*, as follows:

	As Restated 2020	As Reported 2020	Increase (Decrease)
Charges for Services	$ 547,047	$ 431,873	$ 115,174
Instruction	67,155,771	67,027,073	128,698

The results of operations as a whole are reported in the Statement of Activities in a programmatic format. In the accompanying financial statements STAR (school tax relief) revenue is included in the other tax items line. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2021 and 2020 is as follows:

	2021	As Restated 2020	Increase (Decrease)	Percentage Change
Revenues				
Program Revenues				
Charges for Services	$ 323,228	$ 547,047	$ (223,819)	(40.91)%
Operating Grants	2,028,976	1,285,183	743,793	57.87 %
Capital Grants	295,615	88,308	207,307	234.75 %
General Revenues				
Property Taxes and STAR	47,618,352	46,931,435	686,917	1.46 %
State Sources	23,174,043	23,510,182	(336,139)	(1.43)%
Other	945,919	1,098,203	(152,284)	(13.87)%
Total Revenues	74,386,133	73,460,358	925,775	1.26 %
Expenses				
General Support	$ 11,433,729	$ 10,235,095	$ 1,198,634	11.71 %
Instruction	67,553,718	67,155,771	397,947	0.59 %
Pupil Transportation	3,111,005	2,904,890	206,115	7.10 %
Debt Service - Interest	998,137	1,115,761	(117,624)	(10.54)%
Food Service Program	910,125	521,662	388,463	74.47 %
Total Expenses	84,006,714	81,933,179	2,073,535	2.53 %
Decrease in Net Position	$ (9,620,581)	$ (8,472,821)	$ (1,147,760)	(13.55)%

The District's net position decreased by $9,620,581 and $8,472,821 for the years ended June 30, 2021 and 2020, respectively.

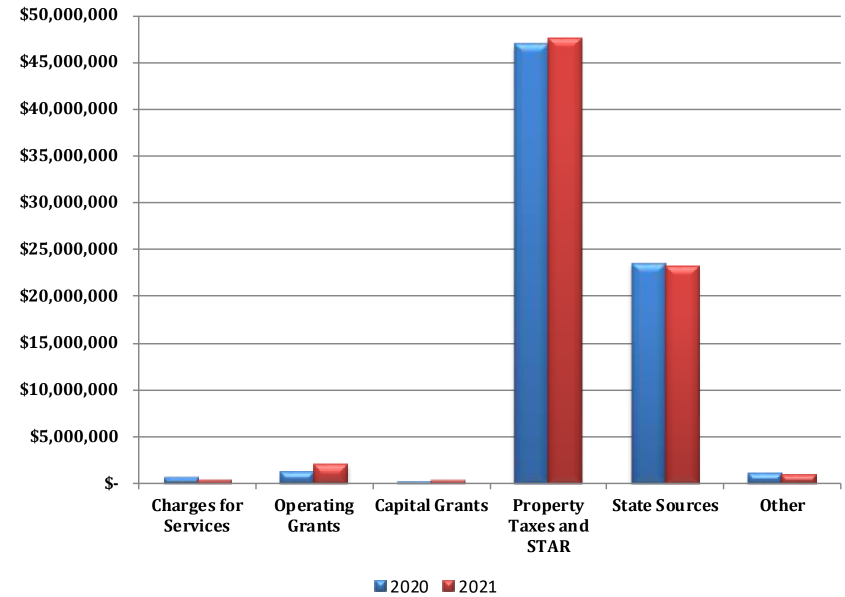
The District's revenues increased by $925,775 or 1.26%. The major factors that contributed to the increase were:

- Property taxes and STAR revenue increased by $686,917.
- Operating grant revenue increased as a result of the District participating in the summer food service program during the pandemic.

The District's expenses for the year increased by $2,073,535 or 2.53%. The increase in expenses is primarily due to increases in general support, instruction, and food service program. The main reason for the increase in general support and instruction is due to the COVID-19 pandemic. The District purchased PPE to protect students and staff from COVID-19 and hired more teachers for reduced class sizes. Food service program expenses increased due to an increase in contract food service management expenses and the program operating for the full year, whereas in the prior year the program stopped in March due to the COVID-19 closure.

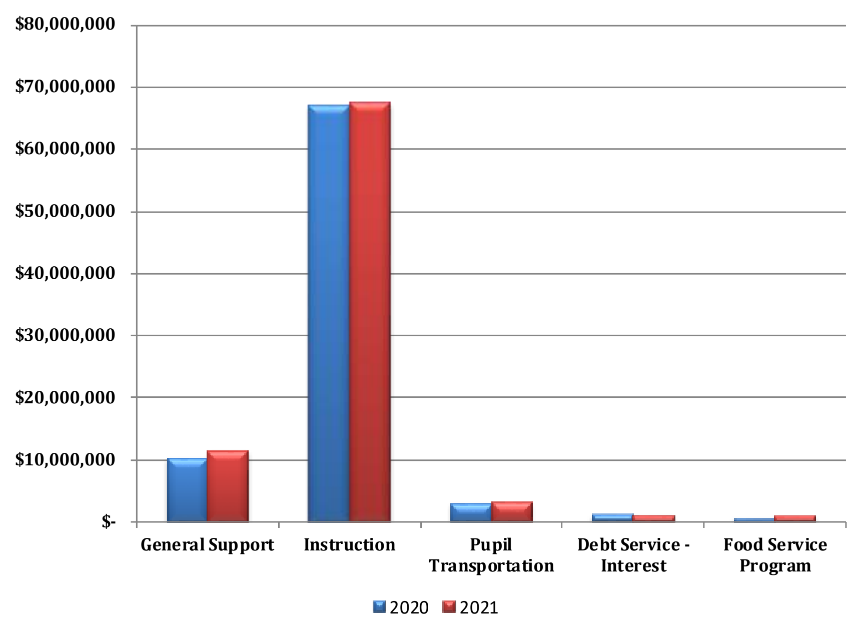
As indicated on the graphs that follow, real property taxes and STAR is the largest component of revenues recognized (i.e., 64.0% and 63.9% of the total for the years June 30, 2021 and 2020, respectively). Instruction expense is the largest category of expenses incurred (i.e., 80.4% and 82.0% of the total for the years June 30, 2021 and 2020, respectively).

A graphic display of the distribution of revenues for the two years follows:



	Charges for Services	Operating Grants	Capital Grants	Property Taxes and STAR	State Sources	Other
2020	0.7%	1.7%	0.1%	63.9%	32.0%	1.6%
2021	0.4%	2.7%	0.4%	64.0%	31.2%	1.3%

A graphic display of the distribution of expenses for the two years follows:



	General Support	Instruction	Pupil Transportation	Debt Service - Interest	Food Service Program
2020	12.5%	82.0%	3.5%	1.4%	0.6%
2021	13.6%	80.4%	3.7%	1.2%	1.1%

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At June 30, 2021, the District's governmental funds reported a combined fund balance of $18,214,293, which is a decrease of $470,589 from the prior year. This decrease is due to an excess of expenditures and other financing uses over revenues and other financing sources using the current financial resources measurement focus and the modified accrual basis of accounting. A summary of the change in the components of fund balance by fund is as follows:

	2021	As Restated 2020	Increase (Decrease)	Percentage Change
General Fund				
Restricted:				
Workers' compensation	$ 624,673	$ 657,174	$ (32,501)	(4.95)%
Unemployment insurance	584,516	583,241	1,275	0.22 %
Retirement contribution				
Teachers' retirement system	1,604,201	1,031,946	572,255	55.45 %
Employees' retirement system	2,453,235	3,065,541	(612,306)	(19.97)%
Insurance	358,619	357,837	782	0.22 %
Employee benefit accrued liability	4,120,665	4,053,338	67,327	1.66 %
Assigned:				
Appropriated fund balance	2,655,101	3,447,767	(792,666)	(22.99)%
Unappropriated fund balance	381,229	1,457,482	(1,076,253)	(73.84)%
Unassigned: Fund balance	3,051,773	3,022,953	28,820	0.95 %
	15,834,012	17,677,279	(1,843,267)	(10.43)%
School Food Service Fund				
Assigned: Unappropriated fund balance	199,580	201,604	(2,024)	(1.00)%
Capital Projects Fund				
Restricted: Unspent bond proceeds		36,182	(36,182)	(100.00)%
Assigned: Unappropriated fund balance	2,109,956	662,001	1,447,955	218.72 %
	2,109,956	698,183	1,411,773	202.21 %
Extraclassroom Activities Fund				
Assigned: Unappropriated fund balance	51,439	72,646	(21,207)	(29.19)%
Scholarships Fund				
Restricted: Scholarships	19,306	35,170	(15,864)	(45.11)%
Total Fund Balance	$ 18,214,293	$ 18,684,882	$ (470,589)	(2.52)%

A. General Fund

The net change in the general fund – fund balance is a decrease of $1,843,267 compared to an increase of $2,671,587 in 2020. This resulted from expenditures and other financing uses in excess of revenues and other financing sources.

Revenues and other financing sources increased by $1,105,386 or 1.55% as compared to the prior year. The increase is primarily attributable to increases in real property taxes and STAR. The increase in property taxes and STAR is due to an increase in the tax levy in accordance with the 2020-2021 budget. State sources also increased in part due to revenues recognized that had been apportioned to the District in the prior year and recorded as deferred revenue.

Expenditures and other financing uses increased by $5,620,240 or 8.20% over the prior year. This was primarily due to increases in general support, instructional services and operating transfers out. The main reason for the increase in general support and instructional services is due to the COVID-19 pandemic. The District purchased PPE to protect students and staff from COVID-19 and hired more teachers for reduced class sizes. In the prior year, the District transferred $352,335 to the capital projects fund to fund district-wide improvements, whereas, in the current year, the District transferred $1,353,011 to fund current capital projects using general fund appropriations.

The following is a summary of the District's general fund restricted fund balance activity:

	Balance @ June 30, 2020	Use of Reserves	Interest	Funding	Balance @ June 30, 2021	Appropriated for June 30, 2022
Workers' compensation	$ 657,174	$ (33,918)	$ 1,417	$	$ 624,673	$ 15,460
Unemployment insurance	583,241		1,275		584,516	200,000
Retirement contribution						
TRS	1,031,946		2,255	570,000	1,604,201	534,168
ERS	3,065,541	(618,654)	6,348		2,453,235	618,654
Insurance	357,837		782		358,619	
EBALR	4,053,338	(291,531)	8,858	350,000	4,120,665	
	$ 9,749,077	$ (944,103)	$ 20,935	$ 920,000	$ 9,745,909	$ 1,368,282

B. School Food Service Fund

The net change in the school food service fund – fund balance is a decrease of $2,024, which was the operating loss of the food service program.

C. Capital Projects Fund

The net change in the capital projects fund – fund balance is an increase of $1,411,773, due to revenues consisting of state sources of $382,735 and an operating transfer from the general fund of $1,353,011, offset by expenditures for capital projects of $306,398 and a transfer to the general fund for unspent bond proceeds of $17,575.

D. Extraclassroom Activity Fund

The net change in the extraclassroom activities fund – fund balance is a decrease of $21,207. This resulted from expenditures in excess of revenues.

E. Scholarship Fund

The net change in the scholarship fund – fund balance is a decrease of $15,864. This resulted from scholarship awards in excess of scholarship donations and contributions.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2020-2021 Budget

The District's general fund adopted budget for the year ended June 30, 2021 was $75,713,895. This amount was increased by encumbrances carried forward from the prior year in the amount of $1,457,482 and budget revisions in the amount of $305,560 for a total final budget of $77,476,937.

The final budget was funded through a combination of estimated revenues and appropriated fund balance. The majority of this funding source was $47,616,059 in estimated property taxes and STAR.

B. Change in General Fund's Unassigned Fund Balance (Budget to Actual)

The general fund's unassigned fund balance is the component of total fund balance that is the residual of current and prior years' excess revenues over expenditures, net of transfers to reserves, appropriations to fund the subsequent year's budget and encumbrances. The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget follows:

Opening, Unassigned Fund Balance	$ 3,022,953
Revenues Over Budget	743,190
Expenditures and Encumbrances Under Budget	2,931,666
Unused Appropriated Reserves	(50,000)
Allocation to Reserves	(940,935)
Appropriated to Fund the June 30, 2022 Budget	(2,655,101)
Closing, Unassigned Fund Balance	$ 3,051,773

Opening, Unassigned Fund Balance

The $3,022,953 shown in the table is the portion of the District's June 30, 2020 fund balance that was retained as unassigned.

Revenues Over Budget

The 2020-2021 final budget for revenues was $71,577,585. Actual revenues recognized for the year were $72,320,775. The excess of actual revenues over estimated or budgeted revenues was $743,190, which contributes directly to the change to the general fund unassigned fund balance from June 30, 2020 to June 30, 2021. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Expenditures and Encumbrances Under Budget

The 2020-2021 final budget for expenditures was $77,476,937. Actual expenditures as of June 30, 2021 were $74,164,042 and outstanding encumbrances were $381,229. Combined, the expenditures plus encumbrances for 2020-2021 were $74,545,271. The final budget variance was $2,931,666, which contributes directly to the change to the general fund unassigned fund balance from June 30, 2020 to June

30, 2021. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Unused Appropriated Reserves

In the 2020-2021 budget, $702,572 of reserves was appropriated to reduce the tax levy. Due to lower than anticipated expenditures, $50,000 of this funding was not needed and, therefore, it was returned to the reserves for future use.

Allocation to Reserves

Monies transferred into authorized reserves do not affect the total fund balance unless, and until these monies are actually expended. The transfers do, however, reduce the District's discretion regarding the use of these transferred monies, and thus, reduce the unassigned fund balance by the amount of the transfers. The table in §4.A. of this Management's Discussion and Analysis details the allocation of interest earnings and funding transfers to the reserves.

Appropriated Fund Balance

The District has chosen to use $2,655,101 of the available June 30, 2021 unassigned fund balance to partially fund the 2021-2022 approved operating budget. As such, the June 30, 2021 unassigned fund balance must be reduced by this amount.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the previous table, the unassigned fund balance at June 30, 2021 is $3,051,773. This amount equals 3.99% of the 2021-2022 budget and is within the 4% statutory limit.

6. CAPITAL ASSETS, DEBT ADMINISTRATION AND OTHER LONG-TERM LIABILITIES

A. Capital Assets

At June 30, 2021, the District has invested in a broad range of capital assets, as indicated in the table below. The net decrease in capital assets is due to depreciation expense of $2,284,874 in excess of capital asset additions of $1,255,736 recorded for the year ended June 30, 2021. A summary of the District's capital assets, net of accumulated depreciation at June 30, 2021 and 2020 is as follows:

	2021	2020	Increase (Decrease)
Land	$ 690,053	$ 690,053	$ -
Construction in progress	37,867	37,867	-
Buildings and improvements	40,473,357	42,055,695	(1,582,338)
Furniture and equipment	7,084,003	6,530,803	553,200
Capital assets, net	$ 48,285,280	$ 49,314,418	$ (1,029,138)

B. Debt Administration

At June 30, 2021, the District had total bonds payable and energy performance contracts payable of $20,430,000, and $4,967,221, respectively. The bonds and energy performance contracts were issued for school building improvements and security, safety, maintenance, and energy projects, and the refunding of bonds originally issued for school building improvements. A summary of the outstanding debt at June 30, 2021 and 2020 is as follows:

	Issue Date	Interest Rate	2021	2020	Increase (Decrease)
Bonds Payable					
	7/15/2009	3.50-4.00%	$ 690,000	$ 900,000	$ (210,000)
	9/14/2011	2.25-5.00%	2,735,000	2,825,000	(90,000)
	6/24/2015	2.00-3.125%	4,850,000	5,325,000	(475,000)
	5/29/2019	3.00-5.00%	12,155,000	13,425,000	(1,270,000)
			$ 20,430,000	$ 22,475,000	$ (2,045,000)
Energy Performance Contract					
	6/25/2012	2.29%	$ 1,482,253	$ 1,691,432	$ (209,179)
	6/25/2017	2.36%	3,484,968	3,745,941	(260,973)
			$ 4,967,221	$ 5,437,373	$ (470,152)

The District's latest underlying, long-term credit rating from Moody's Investors Service, Inc. is Aa2. The District's outstanding serial bonds at June 30, 2021 are approximately 2.62% of the District's debt limit.

C. Other Long-Term Liabilities

Included in the District's long-term liabilities are the estimated amounts due for compensated absences, which are based on employment contracts, and workers' compensation liability, net pension liability – proportionate share and total other postemployment benefits liability, which are based on actuarial valuations. A summary of the outstanding other long-term liabilities at June 30, 2021 and 2020 is as follows:

	2021	2020	Increase (Decrease)
Compensated absences	$ 5,936,585	$ 5,706,021	$ 230,564
Net pension liability - proportionate share	4,348,492	4,775,084	(426,592)
Total OPEB liability	131,899,142	134,058,241	(2,159,099)
	$ 142,184,219	$ 144,539,346	(2,355,127)

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

A. Subsequent Year's Budget

The general fund budget, the only fund with a legally adopted budget, as approved by the voters on May 18, 2021, for the year ending June 30, 2022, is $76,520,451. This is an increase of $806,556 or 1.07% over the previous year's budget. The increase is principally in the instruction program area of the budget in the amount of $1,268,553.

The District budgeted revenues other than property taxes and STAR at a $219,996 decrease from the prior year's estimate. The assigned, appropriated fund balance applied to the budget in the amount of $2,655,101 is a decrease of $792,666 from the prior year. Additionally, the District has elected to appropriate $1,368,282 of reserves toward the next year's budget which is an increase of $665,710 over the previous year. A property tax increase of $1,153,508 (2.42%), levy to levy, was needed to meet the funding shortfall and cover the increase in appropriations.

B. Future Budgets

The property tax cap, uncertainty in state aid and federal funding, as well as the continuing effect of the COVID-19 pandemic, will impact the District's future budgets.

C. Tax Cap

New York State law limits the increase in the property tax levy of school districts to the lesser of 2% or the rate of inflation. There are additional statutory adjustments in the law. School districts may override the tax levy limit by presenting to the voters a budget that requires a tax levy that exceeds the statutory limit. However, that budget must be approved by 60% of the votes cast. The District's 2021-2022 property tax increase of 2.42% was equal the tax cap and did not require an override vote.

8. CONTACTING THE DISTRICT

This financial report is designed to provide the reader with a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Requests for additional information can be directed to:

Ms. Colleen Card
School Business Official
Miller Place Union Free School District
Administrative Office
7 Memorial Drive
Miller Place, NY 11764

MILLER PLACE UNION FREE SCHOOL DISTRICT
Statement of Net Position
June 30, 2021

ASSETS	
Cash	
Unrestricted	$ 12,318,612
Restricted	9,765,215
Receivables	
Accounts receivable	8,436
Due from state and federal	1,736,105
Due from other governments	2,243,471
Capital assets:	
Not being depreciated	727,920
Being depreciated, net of accumulated depreciation	47,557,360
Total Assets	74,357,119
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges from advance refunding	163,778
Pensions	19,210,741
Other postemployment benefits	35,020,034
Total Deferred Outflows of Resources	54,394,553
LIABILITIES	
Payables	
Accounts payable	1,242,445
Accrued liabilities	934,490
Due to other governments	2,373,055
Due to teachers' retirement system	2,938,987
Due to employees' retirement system	279,600
Other liabilities	150,558
Unearned credits	
Collections in advance	30,261
Long-term liabilities	
Due and payable within one year	
Bonds payable, net	2,350,722
Energy performance contract payable	481,159
Compensated absences payable	150,000
Due and payable after one year	
Bonds payable, net	19,869,050
Energy performance contract payable	4,486,062
Compensated absences payable	5,786,585
Net pension liability - proportionate share	4,348,492
Total other postemployment benefits liability	131,899,142
Total Liabilities	177,320,608
DEFERRED INFLOWS OF RESOURCES	
Pensions	7,349,947
Other postemployment benefits	25,535,643
Total Deferred Inflows of Resources	32,885,590
NET POSITION (DEFICIT)	
Net investment in capital assets	22,888,059
Restricted:	
Workers' compensation	624,673
Unemployment insurance	584,516
Retirement contribution	
Teachers' retirement system	1,604,201
Employees' retirement system	2,453,235
Insurance	358,619
Employee benefit accrued liability	4,120,665
Scholarships	19,306
	9,765,215
Unrestricted (deficit)	(114,107,800)
Total Net Position (Deficit)	$ (81,454,526)

MILLER PLACE UNION FREE SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2021

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Program Revenues: Capital Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS					
General support	$ 11,433,729	$	$	$	$ (11,433,729)
Instruction	67,553,718	227,257	1,218,717	295,615	(65,812,129)
Pupil transportation	3,111,005				(3,111,005)
Debt service - interest	998,137				(998,137)
Food service program	910,125	95,971	810,259		(3,895)
Total Functions and Programs	$ 84,006,714	$ 323,228	$ 2,028,976	$ 295,615	(81,358,895)
GENERAL REVENUES					
Real property taxes					43,729,812
Other tax items					3,888,540
Use of money and property					62,116
Miscellaneous					858,153
State sources					23,174,043
Medicaid reimbursement					25,650
Total General Revenues					71,738,314
Change in Net Position					(9,620,581)
Total Net Position (Deficit) - Beginning of Year, as Restated					(71,833,945)
Total Net Position (Deficit) - End of Year					$ (81,454,526)

MILLER PLACE UNION FREE SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2021

	General	Special Aid	School Food Service	Capital Projects	Extraclassroom Activities	Scholarships	Total Governmental Funds
ASSETS							
Cash							
Unrestricted	$ 10,219,755	$ 3,739	$ 120,256	$ 1,914,601	$ 60,261	$	$ 12,318,612
Restricted	9,745,909					19,306	9,765,215
Receivables							
Accounts receivable	8,389		47				8,436
Due from other funds	652,039		2,896				654,935
Due from state and federal	588,782	711,928	239,780	195,615			1,736,105
Due from other governments	2,243,471						2,243,471
Total Assets	$ 23,458,345	$ 715,667	$ 362,979	$ 2,110,216	$ 60,261	$ 19,306	$ 26,726,774
LIABILITIES							
Payables							
Accounts payable	$ 1,036,671	$ 63,888	$ 133,064	$	$ 8,822	$	$ 1,242,445
Accrued liabilities	633,986						633,986
Due to other funds	2,896	651,779		260			654,935
Due to other governments	2,372,981		74				2,373,055
Due to teachers' retirement system	2,938,987						2,938,987
Due to employees' retirement system	279,600						279,600
Other liabilities	150,558						150,558
Unearned credits							
Collections in advance			30,261				30,261
Total Liabilities	7,415,679	715,667	163,399	260	8,822	-	8,303,827
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	208,654						208,654
FUND BALANCES							
Restricted:							
Workers' compensation	624,673						624,673
Unemployment insurance	584,516						584,516
Retirement contribution							
Teachers' retirement system	1,604,201						1,604,201
Employees' retirement system	2,453,235						2,453,235
Insurance	358,619						358,619
Employee benefit accrued liability	4,120,665						4,120,665
Scholarships						19,306	19,306
Assigned:							
Appropriated fund balance	2,655,101						2,655,101
Unappropriated fund balance	381,229		199,580	2,109,956	51,439		2,742,204
Unassigned: Fund balance	3,051,773						3,051,773
Total Fund Balances	15,834,012	-	199,580	2,109,956	51,439	19,306	18,214,293
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 23,458,345	$ 715,667	$ 362,979	$ 2,110,216	$ 60,261	$ 19,306	$ 26,726,774

See Notes to Financial Statements

MILLER PLACE UNION FREE SCHOOL DISTRICT
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2021

Total Governmental Fund Balances		$ 18,214,293
Amounts reported for governmental activities in the Statement of Net Position are different because:		
The costs of building and acquiring capital assets (land, buildings, equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.		
Original cost of capital assets	$ 85,005,640	
Less: Accumulated depreciation	(36,720,360)	
		48,285,280
Proportionate share of long-term liability, and deferred outflows and inflows associated with participation in the state retirement systems are not current financial resources or liabilities and are not reported in the funds.		
Deferred outflows of resources	19,210,741	
Net pension liability - teachers' retirement system	(4,331,426)	
Net pension liability - employees' retirement system	(17,066)	
Deferred inflows of resources	(7,349,947)	
		7,512,302
Deferred charges on advance refunding of bonds are not reported on the Balance Sheet, but are reflected on the Statement of Net Position and amortized over the life of the related bonds.		
Deferred charges on advance refunding	202,043	
Less: Accumulated amortization	(38,265)	
		163,778
Total other postemployment benefits liability and deferred outflows and inflows related to providing benefits in retirement are not current financial resources or liabilities and are not reported in the funds.		
Deferred outflows of resources	35,020,034	
Total other postemployment benefits liability	(131,899,142)	
Deferred inflows of resources	(25,535,643)	
		(122,414,751)
Some of the District's revenues will be collected after the year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds, but are not deferred on the Statement of Net Position.		208,654
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year end consist of:		
Accrued interest on bonds payable and energy performance contract payable	(300,504)	
Bonds payable, net	(22,219,772)	
Energy performance contract payable	(4,967,221)	
Compensated absences payable	(5,936,585)	
		(33,424,082)
Total Net Position (Deficit)		$ (81,454,526)

See Notes to Financial Statements

MILLER PLACE UNION FREE SCHOOL DISTRICT
Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2021

	General	Special Aid	School Food Service	Capital Projects	Extraclassroom Activities	Scholarships	Total Governmental Funds
REVENUES							
Real property taxes	$ 43,729,812	$	$	$	$	$	$ 43,729,812
Other tax items	3,888,540						3,888,540
Use of money and property	61,782		334		144		62,260
Miscellaneous	858,153		1,442		71,082	32,811	963,488
State sources	23,739,263	281,137	26,766	382,735			24,429,901
Medicaid reimbursement	25,650						25,650
Federal sources		937,580	783,493				1,721,073
Sales			94,529				94,529
Total Revenues	72,303,200	1,218,717	906,564	382,735	71,226	32,811	74,915,253
EXPENDITURES							
General support	8,080,427						8,080,427
Instruction	42,282,622	1,289,001			92,433	48,675	43,712,731
Pupil transportation	3,056,960						3,056,960
Employee benefits	15,595,815						15,595,815
Debt service							
Principal	2,515,152						2,515,152
Interest	1,209,771						1,209,771
Food service program			908,588				908,588
Capital outlay				306,398			306,398
Total Expenditures	72,740,747	1,289,001	908,588	306,398	92,433	48,675	75,385,842
Excess (Deficiency) of Revenues Over Expenditures	(437,547)	(70,284)	(2,024)	76,337	(21,207)	(15,864)	(470,589)
OTHER FINANCING SOURCES AND (USES)							
Operating transfers in	17,575	70,284		1,353,011			1,440,870
Operating transfers (out)	(1,423,295)			(17,575)			(1,440,870)
Total Other Financing Sources and (Uses)	(1,405,720)	70,284	-	1,335,436	-	-	-
Net Change in Fund Balances	(1,843,267)	-	(2,024)	1,411,773	(21,207)	(15,864)	(470,589)
Fund Balances - Beginning of Year, as Restated	17,677,279		201,604	698,183	72,646	35,170	18,684,882
End of Year	$ 15,834,012	$ -	$ 199,580	$ 2,109,956	$ 51,439	$ 19,306	$ 18,214,293

MILLER PLACE UNION FREE SCHOOL DISTRICT
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2021

Net Change in Fund Balances		$ (470,589)
Amounts reported for governmental activities in the Statement of Activities are different because:		
<u>Long-Term Revenue and Expense Differences</u>		
Certain revenues are recognized in the governmental funds when they provide current financial resources. However, these revenues were recognized in the Statement of Activities in prior years when they were earned.		
Change in unavailable revenue	$ (529,120)	
Certain operating expenses do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, but are expensed in the Statement of Activities.		
Increase in compensated absences payable	(230,564)	
		(759,684)
<u>Capital Related Differences</u>		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which depreciation exceeded capital outlays and other additions in the period.		
Capital outlays and other additions	1,255,736	
Depreciation expense	(2,284,874)	
		(1,029,138)
<u>Long-Term Debt Transactions Differences</u>		
The amortization of the deferred premium, net of the amortization of the deferred charges on the advance refunding of bonds, decreases interest expense in the Statement of Activities.	182,355	
Repayment of long-term debt is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		
Repayment of bond principal	2,045,000	
Repayment of energy performance contract payable	470,152	
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which accrued interest decreased from June 30, 2020 to June 30, 2021.	29,279	
		2,726,786
<u>Pension and Other Postemployment Benefits Differences</u>		
The change in the proportionate share of the collective pension expense of the state retirement plans and the change in other postemployment benefits expense reported in the Statement of Activities did not affect current financial resources and, therefore, are not reported in the governmental funds.		
Teachers' Retirement System	(3,190,005)	
Employees' Retirement System	430,117	
Other postemployment benefits	(7,328,068)	
		(10,087,956)
Change in Net Position (Deficit) of Governmental Activities		$ (9,620,581)

MILLER PLACE UNION FREE SCHOOL DISTRICT
Statement of Fiduciary Net Position - Fiduciary Fund
June 30, 2021

	Custodial
ASSETS	
Cash and cash equivalents	$ -
NET POSITION	
Restricted for individuals, organizations, and other governments	$ -

Statement of Changes in Fiduciary Net Position - Fiduciary Fund
For the Year Ended June 30, 2021

	Custodial
ADDITIONS	
Real property taxes collections for the Libraries	$ 2,302,731
DEDUCTIONS	
Payments of real property taxes to the Libraries	2,302,731
Change in Net Position	-
Net Position - Beginning of Year	
Net Position - End of Year	$ -

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Miller Place Union Free School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by the District are as follows:

A. Reporting Entity

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of five members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The financial reporting entity is based on criteria set forth by GASB. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no other entities that would be included in the District's reporting entity.

B. Joint Venture

The District is a component district in the Board of Cooperative Educational Services of Eastern Suffolk (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities. BOCES are organized under §1950 of the Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the Education Law. All BOCES property is held by the BOCES Board as a corporation under §1950(6). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the General Municipal Law. A BOCES budget is comprised of separate budgets for administrative, program, and capital costs. Each component district's share of administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, §1950(4)(b)(7). There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which its students participate.

C. Basis of Presentation

District-Wide Financial Statements

The Statement of Net Position and the Statement of Activities present information about the overall governmental financial activities of the District, except for fiduciary activities. Eliminations have been made to minimize the double counting of interfund transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while capital grants reflects capital-specific grants, if applicable.

The Statement of Net Position presents the financial position of the District at fiscal year-end. The Statement of Activities presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Employee benefits are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including real property taxes and state aid, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the District's funds, including the fiduciary fund. Separate statements for each fund type, governmental and fiduciary, are presented. The District's financial statements present the following fund types:

Governmental Funds - are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The emphasis of governmental fund financial statements is on major funds as defined by GASB, each displayed in a separate column. The following are the District's major governmental funds:

General Fund - is the general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund.

Special Aid Fund - is used to account for the proceeds of specific revenue sources such as federal and state grants that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed by either governments that provide the funds or outside parties.

School Food Service Fund - is used to account for the activities of the food service program.

Capital Projects Fund – is used to account for the financial resources used for acquisition, construction, renovation or major repair of capital facilities and other capital assets.

Extraclassroom Activities Fund – is used to account for the funds operated by and for the students of the District.

Scholarships Fund – is used to account for funds collected that benefit annual third-party awards and scholarships for students.

Fiduciary Funds – are used to account for activities in which the District acts as trustee or custodian for resources that belong to others. These activities are not included in the district-wide financial statements, because their resources do not belong to the District, and they are not available to be used to finance District operations. The following is the District's fiduciary fund.

Custodial Fund – is used to account for real property taxes collected on behalf of other governments and disbursed to those governments.

D. Measurement Focus and Basis of Accounting

Measurement focus describes what type of information is reported, and is either the economic resources measurement focus or the current financial resources measurement focus. The economic resources measurement focus reports all assets, liabilities and deferred resources related to a given activity, as well as transactions of the period that affect net position. For example, all assets, whether financial (e.g., cash and receivables) or capital (e.g., property and equipment) and liabilities (including long-term debt and obligations) are reported. The current financial resources measurement focus reports more narrowly on assets, liabilities and deferred resources that are relevant to near-term liquidity, along with net changes resulting from transactions of the period. Consequently, capital assets and the unmatured portion of long-term debt and certain other liabilities the District would not expect to liquidate currently with expendable available financial resources (e.g., compensated absences for employees still in active service) would not be reported.

Basis of accounting describes when changes are recognized, and is either the accrual basis of accounting or the modified accrual basis of accounting. The accrual basis of accounting recognizes changes in net position when the underlying event occurs, regardless of the timing of related cash flows. The modified accrual basis of accounting recognizes changes only at the point they affect near-term liquidity.

The district-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include real property taxes, state aid, grants and donations. On an accrual basis, revenue from real property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from state aid is recognized in the fiscal year it is apportioned by the state. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 180 days after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, pension costs and other postemployment benefits, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

E. Real Property Taxes

Calendar

Real property taxes are levied annually by the Board no later than November 1st and become a lien on December 1st. Taxes are collected by the town of Brookhaven and remitted to the District from December to June.

Enforcement

Uncollected real property taxes are subsequently enforced by Suffolk County in June.

F. Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net resources are available, the District's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these Notes to Financial Statements.

G. Interfund Transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include transfers to provide financing or other services. This includes the transfer of unrestricted general fund revenues to finance various programs that the District must account for in other funds in accordance with budgetary authorizations.

In the district-wide statements eliminations have been made for all interfund receivables and payables between the funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables are netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

A detailed disclosure by individual fund for interfund receivables, payables, transfers in and transfers out activity is provided subsequently in these Notes to Financial Statements.

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingencies at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting period. Accordingly, actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including revenue availability, compensated absences, pension costs, other postemployment benefits, workers' compensation liabilities, potential contingent liabilities, and useful lives of capital assets.

I. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank deposits and investments with a maturity date of three months or less from date of acquisition.

Certain cash balances are restricted by various legal and contractual obligations, such as legal reserves and debt agreements.

J. Receivables

Receivables are shown net of an allowance for uncollectibles, if any. However, no allowance for uncollectibles has been provided since it is believed that such allowance would not be material.

K. Capital Assets

Capital assets are reflected in the district-wide financial statements. Capital assets are reported at actual cost, when the information is available, or estimated historical cost based on professional third-party information. Donated assets are reported at acquisition value at the date of donation.

All capital assets, except land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives. Capitalization thresholds, the dollar value above which asset acquisitions are added to the capital asset accounts, and estimated useful lives of capital assets as reported in the district-wide statements are as follows:

	Capitalization Threshold	Estimated Useful Life
Buildings and improvements	$ 1,000	50 years
Site improvements	1,000	20 years
Furniture and equipment	1,000	5 years

L. Deferred Outflows of Resources

Deferred outflows of resources, in the Statement of Net Position, represents a consumption of net position that applies to a future reporting period and so will not be recognized as an outflow of resources (expense) until that time. The District has three items that qualify for reporting in this category. First is the unamortized amount of deferred charges from a refunding of bonds that is being amortized as a component of interest expense on a straight basis through June 30, 2030. The second item is related to pensions and consists of the District's proportionate share of changes in the collective net pension asset or liability not included in collective pension expense and the District's contributions to the pension systems (TRS and ERS) subsequent to the measurement date. The third item is related to OPEB and represents changes in the total other postemployment benefits liability not included in OPEB expense and the District's contributions to OPEB subsequent to the measurement date.

M. Short-Term Debt

The District may issue revenue anticipation notes (RAN) and tax anticipation notes (TAN), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The District may issue bond anticipation notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date, seven years if originally issued during calendar year 2015 through, and including, 2021. The notes, or renewal thereof, may not extend more than two years beyond the original date of issue, unless a portion is redeemed within two years and within each twelve-month period thereafter.

N. Collections in Advance

Collections in advance arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures or when charges for services monies are received in advance from payers prior to the services being rendered by the District, such as prepaid lunch amounts. These amounts are recorded as liabilities in the financial statements. The liabilities are removed and revenues are recognized in subsequent periods when the District has legal claim to the resources.

O. Employee Benefits – Compensated Absences

Compensated absences consist of unpaid accumulated sick leave.

Sick leave eligibility and accumulation is specified in collective bargaining agreements and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

Certain collectively bargained agreements require these payments to be paid in the form of non-elective contributions into the employee's 403(b) plan.

The liability for compensated absences has been calculated using the vesting method and an accrual for that liability is included in the district-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the fund financial statements, a liability is reported only for payments due for unused compensated absences for those employees that have obligated themselves to separate from service with the District by June 30th.

P. Other Benefits

Eligible District employees participate in the New York State Teachers' Retirement System or the New York State and Local Employees' Retirement System.

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

The District provides individual or family health insurance coverage for active employees pursuant to collective bargaining agreements and individual employment contracts.

In addition to providing these benefits, the District provides individual, family or surviving spouse postemployment health insurance coverage for eligible retired employees. Collective bargaining agreements and individual employment contracts determine if District employees are eligible for these benefits if they reach normal retirement age while working for the District. Healthcare benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payment). In the district-wide statements, the cost of postemployment health insurance coverage is recognized on the economic resources measurement focus and the accrual basis of accounting in accordance with GASB Statement No. 75.

Q. Deferred Inflows of Resources

Deferred inflows of resources represents an acquisition of net position that applies to a future reporting period and so will not be recognized as an inflow of resources (revenue/expense credit) until that time. The District has three items that qualify for reporting in this category. First is unavailable revenues reported in the governmental funds when potential revenues do not meet the availability criterion for recognition in the current period. This includes receivables of certain state aid allocations and amounts due from other governments for tuition charges. In subsequent periods, when the availability criterion is met, unavailable revenues are reclassified as revenues. In the District-wide financial statements, unavailable revenues are treated as revenues. The second item is related to pensions reported in the district-wide Statement of Net Position and consists of the District's proportionate share of changes in the collective net pension asset or liability not included in collective pension expense. The third item is related to OPEB reported in the district-wide Statement of Net Position and represents changes in the total other postemployment benefits liability not included in OPEB expense.

R. Equity Classifications

District-Wide Statements

In the district-wide statements there are three classes of net position:

Net investment in capital assets – Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisitions, construction, and improvements of those assets.

Restricted – Reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted – Reports the balance of net position that does not meet the definition of the above two classifications.

Fund Statements

The fund statements report fund balance classifications according to the relative strength of spending constraints placed on the purpose for which resources can be used, as follows:

Restricted – Consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. The District has established the following restricted fund balances:

Workers' Compensation Reserve

Workers' Compensation Reserve (GML §6-j) is used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. The reserve is accounted for in the general fund.

Unemployment Insurance Reserve

Unemployment Insurance Reserve (GML §6-m) is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. The reserve is accounted for in the general fund.

Retirement Contribution Reserve

Retirement Contribution Reserve (GML §6-r) is used for the purpose of financing retirement contributions payable to the New York State and Local Employees' Retirement System. The Board, by resolution, may establish the reserve and authorize expenditures from the reserve. The reserve is funded by budgetary appropriations or taxes raised for the reserve, revenues that are not required by law to be paid into any other fund or account, transfers from reserves and other funds that may legally be appropriated. The Board may also adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r. These reserves are accounted for in the general fund.

Insurance Reserve

Insurance Reserve (GML §6-n) is used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of $33,000 or 5% of the budget. Settled or compromised claims up to $25,000 may be paid from the reserve without judicial approval. The reserve is accounted for in the general fund.

Employee Benefit Accrued Liability Reserve

Employee Benefit Accrued Liability Reserve (GML §6-p) is used to reserve funds for the payment of accrued employee benefit primarily based on unused and unpaid sick leave, personal leave, holiday leave or vacation time due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the general fund.

Restricted for Scholarships

Amounts restricted for scholarships are used to account for monies donated for scholarship purposes, including earnings and net of awards. These restricted funds are accounted for in the scholarships fund.

Assigned – Consists of amounts that are subject to a purpose constraint that represents an intended use established by the District's Board of Education. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year.

Unassigned – Represents the residual classification for the District's general fund and could report a surplus or deficit. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from overspending of available resources. NYS Real Property Tax Law §1318, restricts the unassigned fund balance, of the general fund to an amount not greater than 4% of the subsequent year's budget.

<u>Fund Balance Classification</u>

Any portion of fund balance may be applied or transferred for a specific purpose by law, voter approval if required by law or by formal action of the Board of Education if voter approval is not required. Amendments or modification to the applied or transferred fund balance must also be approved by formal action of the Board of Education.

The Board of Education shall delegate the authority to assign fund balance, for encumbrance purposes, to the person(s) to whom it has delegated the authority to sign purchase orders.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (that is restricted, assigned or unassigned) the Board will assess the current financial condition of the District and then determine the order of application of expenditures to which fund balance classification will be charged.

2. CHANGES IN ACCOUNTING PRINCIPLES

For the fiscal year ended June 30, 2021, the District implemented GASB Statement No. 84, *Fiduciary Activities.* This statement provides guidance for identifying fiduciary activities, primarily based on whether the assets associated with the activities are controlled by the government and the government does not have administrative involvement with the assets. As a result, some activities previously reported within the fiduciary funds are now reported within the governmental funds

3. FUTURE ACCOUNTING STANDARDS

The Governmental Accounting Standards Board (GASB) Statements are issued to set generally accepted accounting principles (GAAP) for state and local governments. The following is not an all-inclusive list of GASB standards issued, but the statement that the District feels may have a future impact on these financial statements. The District will evaluate the impact of this pronouncement and implement it, as applicable, if material.

Effective for the Year Ending	Statement
June 30, 2022	GASB No. 87 - *Leases*

GASB Statement No. 87 will change the reporting of leases in the district-wide financial statements. A lessee will be required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor will be required to recognize a lease receivable and a deferred inflow of financial resources.

4. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE DISTRICT-WIDE STATEMENTS AND THE GOVERNMENTAL FUND STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the district-wide statements and the governmental fund statements, certain financial transactions are treated differently. The financial statements contain a full reconciliation of these items.

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

Total fund balances of the District's governmental funds differ from net position of governmental activities reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund Balance Sheet, as applied to the reporting of capital assets and long-term assets and liabilities.

B. Statement of Revenues, Expenditures and Changes in Fund Balances vs. Statement of Activities

Differences between the Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities fall into any of four broad categories.

Long-Term Revenue and Expense Differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a current financial resources measurement focus and the modified accrual basis, whereas the economic resources measurement focus and the accrual basis of accounting is used on the Statement of Activities, thereby affecting expenses such as compensated absences.

Capital Related Differences

Capital related differences include the difference between proceeds from the sale of capital assets reported on fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the fund statements and depreciation expense on those items as recorded in the Statement of Activities.

Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because the issuance of long-term debt provides current financial resources to governmental funds, but is recorded as a liability in the Statement of Net Position. In addition, both interest and principal are recorded as expenditures in the fund statements when due and payable, whereas interest expense is recorded in the Statement of Activities as it accrues, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

Pension and Other Postemployment Benefits Differences

Pension differences occur as a result of recognizing pension costs using the current financial resources measurement focus and the modified accrual basis of accounting, whereby an expenditure is recognized based on the contractually required contribution as calculated by the plan, versus the economic resources measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the District's proportionate share of the collective pension expense of the plan.

Other postemployment benefit differences occur as a result of recognizing OPEB costs using the current financial resources measurement focus and the modified accrual basis of accounting, whereby an expenditure is recognized for health insurance premiums and other postemployment benefit costs as they mature (come due for payment), versus the economic resources measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the future cost of benefits in retirement over the term of employment.

5. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the general fund, the only fund with a legally adopted budget.

The voters of the District approved the proposed appropriation budget for the general fund.

Appropriations are established by the adoption of the budget, are recorded at the program line item level, and constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year can be funded by the planned use of specific reserves, and can be increased by budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law) and appropriation of fund balances. These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. The following supplemental appropriations occurred during the year:

Instructional expenditures funded by gifts and donations	$	4,927
Repairs funded by insurance recoveries		9,102
Retirements funded by the employee benefit accrued liability reserve		291,531
	$	305,560

Budgets are adopted annually on a basis consistent with GAAP.

Budgets are established and used for individual capital projects based on authorized funding. The maximum project amount authorized is based upon the estimated cost of the project. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

B. Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as part of assigned fund balance, unless classified as restricted, and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

6. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

The District's investment policies are governed by state statutes and District policy. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its Agencies and obligations of New York State and its municipalities.

Custodial credit risk is the risk that in the event of a bank failure, the District may be unable to recover deposits or collateral securities that are in possession of an outside agency. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are as follows:

A. Uncollateralized,
B. Collateralized by securities held by the pledging financial institution, or
C. Collateralized by securities held by the pledging financial institution's trust department or agent but not in the District's name.

The District's aggregate bank balances were covered by FDIC insurance or fully collateralized by securities pledged on the District's behalf at year-end.

The District did not have any investments at year-end or during the year. Consequently, the District was not exposed to any material interest rate risk or foreign currency risk.

7. PARTICIPATION IN BOCES

During the year ended June 30, 2021, the District was billed $5,885,951 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $2,320,306. Financial statements for the BOCES are available from the BOCES administrative offices at 201 Sunrise Highway, Patchogue, New York 11772.

8. DUE FROM STATE AND FEDERAL

Due from state and federal at June 30, 2021 consisted of:

General Fund	
New York State - excess cost aid	$ 588,782
Special Aid Fund	
Federal and state grants	711,928
Food Service Fund	
Federal and state grants	239,780
Capital Projects Fund	
Federal and state grants	195,615
	$ 1,736,105

District management expects these amounts to be fully collectible.

9. DUE FROM OTHER GOVERNMENTS

Due from other governments at June 30, 2021 consisted of:

General Fund	
BOCES aid	$ 2,034,813
Other districts - charges for services	208,658
	$ 2,243,471

District management expects these amounts to be fully collectible.

10. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2021, were as follows:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021
Governmental activities				
Capital assets not being depreciated:				
Land	$ 690,053	$	$	$ 690,053
Construction in progress	37,867			37,867
Total capital assets not being depreciated	727,920	-	-	727,920
Capital assets being depreciated:				
Buildings and improvements	70,295,229	125,028		70,420,257
Furniture and equipment	13,249,651	1,130,708	(522,896)	13,857,463
Total capital assets being depreciated	83,544,880	1,255,736	(522,896)	84,277,720
Less accumulated depreciation for:				
Buildings and improvements	28,239,534	1,707,366		29,946,900
Furniture and equipment	6,718,848	577,508	(522,896)	6,773,460
Total accumulated depreciation	34,958,382	2,284,874	(522,896)	36,720,360
Total capital assets, being depreciated, net	48,586,498	(1,029,138)	-	47,557,360
Capital assets, net	$ 49,314,418	$ (1,029,138)	$ -	$ 48,285,280

Depreciation expense was charged to governmental functions as follows:

General support	$ 383,950
Instruction	1,895,269
Food service program	5,655
Total depreciation expense	$ 2,284,874

11. DUE TO OTHER GOVERNMENTS

Due to other governments at June 30, 2021 consisted of:

General Fund	
Tuition - Other Districts	$ 399,933
Eastern Suffolk BOCES	1,358,518
New York State - general aid	275,180
Suffolk County Department of Social Services	337,819
Other Miscellaneous	1,531
	2,372,981
School Food Service Fund	
Sales Tax	74
Total Due to Other Governments	$ 2,373,055

12. INTERFUND TRANSACTIONS

Interfund balances and activities at June 30, 2021 are as follows:

	Interfund			
	Receivable	Payable	Transfers In	Transfers Out
General Fund	$ 652,039	$ 2,896	$ 17,575	$ 1,423,295
Special Aid Fund		651,779	70,284	
School Food Service Fund	2,896			
Capital Projects Fund		260	1,353,011	17,575
	$ 654,935	$ 654,935	$ 1,440,870	$ 1,440,870

The District typically transfers from the general fund to the special aid fund for the District's share of the costs for the summer program for students with disabilities. Additionally, the transfer to the capital projects fund was in accordance with the District's approved general fund budget.

The transfer from the capital projects fund to the general fund was to move unspent bonds proceeds to the general fund to offset principal and interest payments on debt.

13. SHORT-TERM DEBT

Short-term debt activity for the year is summarized below:

	Maturity	Stated Interest Rate	Balance June 29, 2020	Issued	Redeemed	Balance June 30, 2021
TAN	6/25/2021	1.75%	$	$ 12,000,000	$ (12,000,000)	$

The TAN was issued to provide cash flow for the District until the District receives the real property taxes from the Town.

Interest on short-term debt for the year was $173,833. The District received a premium of $137,280, which is included in miscellaneous revenue in the general fund to yield an effective interest rate of 0.36799%.

14. LONG-TERM LIABILITIES

A. Changes

Long-term liability balances and activity, excluding pension and other postemployment benefits liabilities, for the year are summarized below:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due Within One Year
Long-term debt:					
Bonds payable	$ 22,475,000	$	$ (2,045,000)	$ 20,430,000	$ 2,150,000
Add: Premium on refunding	1,990,494		(200,722)	1,789,772	200,722
	24,465,494		(2,245,722)	22,219,772	2,350,722
Energy performance contract	5,437,373		(470,152)	4,967,221	481,159
	29,902,867		(2,715,874)	27,186,993	2,831,881
Other long-term liabilities:					
Compensated absences	5,706,021	230,564		5,936,585	150,000
	$ 35,608,888	$ 230,564	$ (2,715,874)	$ 33,123,578	$ 2,981,881

The general fund has typically been used to liquidate other long-term liabilities.

B. Bonds Payable

Bonds payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2021
EXCEL project renovations	7/15/2009	6/15/2024	3.50-4.00%	$ 690,000
Administration building	9/14/2011	8/1/2041	2.25-5.00%	2,735,000
Security, safety, maintenance energy and grounds projects	6/24/2015	6/15/2030	2.00-3.125%	4,850,000
Renovation project - Refunding bond	5/29/2019	2/15/2030	3.00-5.00%	12,155,000
				$ 20,430,000

The following is a summary of debt service requirements for bonds payable:

Year Ending June 30,	Principal	Interest	Total
2022	$ 2,150,000	$ 827,550	$ 2,977,550
2023	1,980,000	734,150	2,714,150
2024	2,055,000	649,649	2,704,649
2025	1,900,000	561,488	2,461,488
2026	1,975,000	478,962	2,453,962
2027 - 2031	8,700,000	1,119,994	9,819,994
2032 - 2036	665,000	289,390	954,390
2037 - 2041	820,000	132,412	952,412
2042	185,000	4,047	189,047
Total	$ 20,430,000	$ 4,797,642	$ 25,227,642

C. Advance Refunding

In 2019, the District advance refunded serial bonds, which resulted in a deferred charge and a refunding bond premium. These amounts are being amortized as a component of interest expense on a straight-line basis over the life of the bonds in the district-wide statements as follows:

Year Ending June 30,	Amortization of Deferred Charges	Amortization of Premium	Interest Expense Increase / (Decrease)
2022	$ 18,368	$ (200,722)	$ (182,354)
2023	18,368	(200,722)	(182,354)
2024	18,368	(200,722)	(182,354)
2025	18,368	(200,722)	(182,354)
2026	18,367	(200,722)	(182,355)
2027 - 2030	71,939	(786,162)	(714,223)
Total	$ 163,778	$ (1,789,772)	$ (1,625,994)

D. Energy Performance Contract Payable

Energy performance contract payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2021
Energy performance contract	6/25/2012	10/15/2027	2.29%	$ 1,482,253
Energy performance contract	6/25/2017	7/22/2032	2.36%	3,484,968
				$ 4,967,221

The following is a summary of debt service requirements for energy performance contract payable:

Year Ending June 30,	Principal	Interest	Total
2022	$ 481,159	$ 113,318	$ 594,477
2023	492,425	102,053	594,478
2024	503,955	90,523	594,478
2025	515,753	78,724	594,477
2026	527,828	66,649	594,477
2027 - 2031	1,936,555	172,236	2,108,791
2032 - 2033	509,546	12,057	521,603
Total	$ 4,967,221	$ 635,560	$ 5,602,781

E. Interest Expense

Interest on long-term debt for the year was composed of:

Interest paid	$ 1,035,938
Less interest accrued in the prior year	(329,783)
Plus interest accrued in the current year	300,504
Less amortization of deferred amounts on refunding	(182,355)
Total interest expense on long-term debt	$ 824,304

15. PENSION PLANS – NEW YORK STATE

A. General Information

The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS). These are cost-sharing multiple employer, public employee retirement systems. The systems provide retirement, disability, withdrawal, and death benefits to plan members and beneficiaries related to years of service and final average salary.

B. Provisions and Administration

Teachers' Retirement System

The TRS is administered by the New York State Teachers' Retirement Board. The TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors, and administrators employed in New York Public Schools and BOCES who elected to participate in the TRS. Once a public employer elects to participate in the TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the TRS may be found on the TRS website at www.nystrs.org or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

Employees' Retirement System

Obligations of employers and employees to contribute and benefits to employees are governed by the NYSRSSL. The net position of the ERS is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the ERS. As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as the trustee of the Fund and is the administrative head of the ERS. Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, NY 12244.

C. Funding Policies

Plan members who joined the systems before July 27, 1976, are not required to make contributions. Those joining on or after July 27, 1976, and before January 1, 2010, with less than ten years of credited services are required to contribute 3% of their salary. Those joining on or after January 1, 2010 and before April 1, 2012, are required to contribute 3% of their salary to ERS or 3.5% of their salary to TRS throughout active membership. Those joining on or after April 1, 2012, are required to contribute between 3% and 6% dependent on their salary throughout active membership. Employers are required to contribute at an actuarially determined rate based on covered salaries paid. For the TRS, the employers' contribution rate is established annually by the New York State Teachers' Retirement Board for the TRS' fiscal year ended June 30th, and employer contributions are deducted from state aid in the subsequent months of September, October and November. For the ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31st, and employer contributions are either paid by the prior December 15th less a 1% discount or by the prior February 1st. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year. The District's contribution rate was 8.86% of covered payroll for the TRS' fiscal year ended June 30, 2020. The District's average contribution rate was 14.56% of covered payroll for the ERS' fiscal year ended March 31, 2021.

The District's share of the required contributions, based on covered payroll for the District's year ended June 30, 2021 was $2,724,379 for TRS at the contribution rate of 9.53% and $866,373 for ERS at an average contribution rate of 14.87%.

D. Pension Asset/(Liability), Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the systems. The net pension asset/(liability) was measured as of June 30, 2020, for TRS and March 31, 2021 for ERS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and the ERS in reports provided to the District.

	TRS	ERS
Measurement date	June 30, 2020	March 31, 2021
District's proportionate share of the net pension asset/(liability)	$ (4,331,426)	$ (17,066)
District's portion of the Plan's total net pension asset/(liability)	0.156750%	0.0171387%
Change in proportion since the prior measurement date	(0.000736)	(0.0008937)

For the year ended June 30, 2021, the District recognized pension expense of $5,939,312 for TRS and $433,036 for ERS. At June 30, 2021, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	TRS	ERS	TRS	ERS
Differences between expected and actual experience	$ 3,795,196	$ 208,419	$ 221,977	$
Changes in assumptions	5,478,246	3,137,837	1,952,708	59,181
Net difference between projected and actual earnings on pension plan investments	2,828,801			4,902,282
Changes in proportion and differences between the District's contributions and proportionate share of contributions	537,889	195,170	69,456	144,343
District contributions subsequent to the measurement date	2,749,583	279,600		
Total	$ 15,389,715	$ 3,821,026	$ 2,244,141	$ 5,105,806

District contributions, subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	TRS	ERS
2022	$ 1,795,017	$ (261,871)
2023	3,513,835	(95,615)
2024	2,907,197	(264,836)
2025	1,816,965	(942,058)
2026	149,096	
Thereafter	213,881	
	$ 10,395,991	$ (1,564,380)

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	TRS	ERS
Measurement date	June 30, 2020	March 31, 2021
Actuarial valuation date	June 30, 2019	April 1, 2020
Inflation	2.20%	2.70%
Salary increases	1.90-4.72%	4.40%
Investment rate of return (net of investment expense, including inflation)	7.10%	5.90%
Cost of living adjustments	1.30%	1.40%

For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2019, applied on a generational basis. Active member mortality rates are based on plan member experience. For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 system experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020.

For TRS, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014. For ERS, the actuarial assumptions were based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

For TRS, the long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class, as well as historical investment data and plan performance.

For ERS, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized below:

	TRS		ERS	
	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return
Measurement date		June 30, 2020		March 31, 2021
Asset type				
Domestic equity	33.0%	7.10%	32.0%	4.05%
International equity	16.0%	7.70%	15.0%	6.30%
Global equity	4.0%	7.40%		
Real estate	11.0%	6.80%	9.0%	4.95%
Private equities	8.0%	10.40%	10.0%	6.75%
Alternatives investments			10.0%	3.63-5.95%
Domestic fixed income securities	16.0%	1.80%		
Global fixed income securities	2.0%	1.00%		
High-yield fixed income securities	1.0%	3.90%		
Bonds and mortgages			23.0%	0.00%
Private debt	1.0%	5.20%		
Real estate debt	7.0%	3.60%		
Cash and equivalents	1.0%	0.70%		
Cash			1.0%	0.50%
	100.0%		100.0%	

Real rates of return are net of a long-term inflation assumption of 2.2% for TRS and 2.0% for ERS.

Discount Rate

The discount rate used to measure the total pension liability was 7.10% for TRS and 5.90% for ERS (the discount rate used by the ERS at the prior year's measurement date of March 31, 2020, was 6.80%). The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Asset/(Liability) to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension asset/(liability) calculated using the discount rate of 7.10% for TRS and 5.90% for ERS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1 percentage point lower (6.10% for TRS and 4.90% for ERS) or 1 percentage point higher (8.10% for TRS and 6.90% for ERS) than the current rate:

TRS	1% Decrease 6.10%	Current Assumption 7.10%	1% Increase 8.10%
District's proportionate share of the net pension asset (liability)	$ (27,360,126)	$ (4,331,426)	$ 14,995,489

ERS	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
District's proportionate share of the net pension asset (liability)	$ (4,736,774)	$ (17,066)	$ 4,335,610

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset/(liability) of the employers as of the respective measurement dates, were as follows:

	TRS	ERS
	(Dollars in Thousands)	
Measurement date	June 30, 2020	March 31, 2021
Employers' total pension liability	$ (123,242,776)	$ (220,680,157)
Plan fiduciary net position	120,479,505	220,580,583
Employers' net pension liability	$ (2,763,271)	$ (99,574)
Ratio of plan fiduciary net position to the employers' total pension liability	97.76%	99.95%

Payables to the Pension Plan

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021, are paid to the system in September, October, and November 2021 through a state aid intercept. Accrued retirement contributions as of June 30, 2021, represent employer and employee contributions for the fiscal year ended June 30, 2021, based on paid TRS covered wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS. Accrued retirement contributions as of June 30, 2021 amounted to $2,724,379 of employer contributions and $214,608 of employee contributions.

For ERS, employer contributions are paid annually based on the system's fiscal year, which ends on March 31st. Accrued retirement contributions as of June 30, 2021, represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to $279,600 of employer contributions. Employee contributions are remitted monthly.

16. PENSION PLANS - OTHER

A. Tax Sheltered Annuities

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain compensated absence payments based on collectively bargained agreements. Contributions made by the District and the employees for the year ended June 30, 2021, totaled $110,000 and $1,463,967, respectively.

B. Deferred Compensation Plan

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for all employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the year ended June 30, 2021, totaled $458,310.

17. POSTEMPLOYMENT HEALTHCARE BENEFITS

A. General Information about the OPEB Plan

Plan Description –The District provides OPEB for eligible retired employees of the District. The benefits provided to employees upon retirement are based on provisions in the various contracts that the District has in place with different classifications of employees. The plan is a single-employer defined benefit OPEB plan administered through the New York State Health Insurance Program – Empire Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided – The District provides healthcare benefits and Medicare Part B coverage for eligible retirees. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

Employees Covered by Benefit Terms – At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	330
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	338
	668

B. Total OPEB Liability

The District's total OPEB liability of $131,899,142 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2020. Update procedures were used to roll forward the total OPEB liability to the measurement date.

Actuarial Assumptions and Other Inputs – The total OPEB liability as of the measurement date, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%	
Salary increases	2.60%	
Discount rate	2.16%	
Healthcare cost trend rates	5.30%	for 2021, decreasing to an ultimate rate of 4.10% by 2075
Retirees' share of benefit-related costs	15% to 25% based on negotiated contracts	

The discount rate was based on the Bond Buyer General Obligation 20-Year Municipal Bond Index.

The plan does not have credible data on which to perform an experience study. As a result, a full actuarial experience study is not applicable.

C. Changes in the Total OPEB Liability

Balance at June 30, 2020	$ 134,058,241
Changes for the year	
Service cost	5,270,674
Interest	3,049,126
Changes of benefit terms	-
Differences between expected and actual experience	(4,495,397)
Changes in assumptions or other inputs	(3,249,759)
Benefit payments	(2,733,743)
	(2,159,099)
Balance at June 30, 2021	$ 131,899,142

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% in 2021.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.16%) or 1 percentage point higher (3.16%) than the current discount rate:

OPEB	1% Decrease 1.16%	Discount Rate 2.16%	1% Increase 3.16%
Total OPEB liability	$ (159,231,366)	$ (131,899,142)	$ (110,641,064)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.30%) or 1 percentage point higher (6.30%) than the current healthcare cost trend rate:

OPEB	1% Decrease 4.30% decreasing to 3.10%	Healthcare Cost Cost Trend Rates 5.30% decreasing to 4.10%	1% Increase 6.30% decreasing to 5.10%
Total OPEB liability	$ (106,840,824)	$ (131,899,142)	$ (165,690,217)

D. OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the District recognized OPEB expense of $10,061,811. At June 30, 2021, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	$ 20,079,639
Changes of assumptions or other inputs	35,020,034	5,456,004
Total	$ 35,020,034	$ 25,535,643

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Amount
2022	$ 1,742,011
2023	1,742,011
2024	1,742,011
2025	1,742,011
2026	1,836,294
Thereafter	680,053
	$ 9,484,391

18. DEFERRED INFLOWS OF RESOURCES

In the governmental fund financial statements, deferred inflows of resources, at June 30, 2021, consists of tuition due from other school districts, which is unavailable. Unavailable revenues, in the general fund at June 30, 2021, total $208,654.

19. RISK MANAGEMENT

A. General Information

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; and natural disasters. These risks are covered by a combination of self-insurance reserves and commercial insurance purchased from independent third parties. There have been no significant reductions in insurance coverage as compared to the prior year, and settled claims from these risks have not exceeded available reserves and commercial insurance coverage for the past three years.

B. Public Entity Risk Pool

The District participates in the New York State Public Schools Statewide Workers' Compensation Trust Plan (the Workers' Compensation Plan), a risk sharing pool, to insure workers' compensation claims. This is a public school entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to workers' compensation claims. The Workers' Compensation Plan's total liability for unbilled and open claims at June 30, 2020, the most recent available information, discounted at 2.0%, was $25,371,907. If the District leaves the plan or if the plan is terminated, the District will be liable for the District's open claims at that time. At June 30, 2020, the District's open claims, discounted at 2.0%, were $1,240,179.

20. RESTRICTED FUND BALANCE – APPROPRIATED RESERVES

The District expects to appropriate the following amounts from reserves, which are reported in the June 30, 2021 restricted fund balances, to fund the budget and reduce taxes for the year ending June 30, 2022:

Workers' compensation insurance	$ 15,460
Unemployment insurance	200,000
Retirement contributions	
Teachers' retirement system	534,168
Employees' retirment system	618,654
	$ 1,368,282

21. ASSIGNED: APPROPRIATED FUND BALANCE

The amount of $2,655,101 has been appropriated to reduce taxes for the year ending June 30, 2022.

22. RESTATEMENT OF FUND BALANCE AND NET POSITION

For the fiscal year ended June 30, 2021, the District implemented GASB Statement No. 84. The implementation of Statement No. 84 resulted in the reporting of changes in current assets and current liabilities. The District's net fund balance and net position have been restated as follows:

	General Fund	Extraclassroom Activity Fund	Scholarships Fund	Statement of Net Position
Fund Balance/Net Position (Deficit)				
Beginning of Year, as Reported	$ 17,677,279	$	$	$ (71,941,759)
Assets				
Cash	395,725	72,644	35,170	503,539
Due from fiduciary fund	(230,711)			(230,711)
	165,014	72,644	35,170	272,828
Liabilities				
Other liabilities	165,014			165,014
Fund Balance/Net Position				
Restricted			35,170	35,170
Assigned, unappropriated		72,644		
Unrestricted				72,644
	-	72,644	35,170	107,814
Fund Balance/Net Position (Deficit)				
Beginning of Year, as Restated	$ 17,677,279	$ 72,644	$ 35,170	$ (71,833,945)

23. COMMITMENTS AND CONTINGENCIES

A. Encumbrances

All encumbrances are classified as either restricted or assigned fund balance. At June 30, 2021, the District encumbered the following amounts:

Assigned: Unappropriated Fund Balance:	
General Fund	
General Support	$ 248,509
Instruction	132,720
	381,229
Capital Projects Fund	
Capital projects	41,039
	$ 422,268

B. Grants

The District has received grants, which are subject to audit by agencies of the state and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior audits, the District's administration believes disallowances, if any, would be immaterial.

C. Litigation

The District is involved in lawsuits arising from the normal conduct of its affairs. The District believes that the outcome of any matters will not have a material effect on these financial statements.

D. Purchase Agreements

The District has various agreements with BOCES to purchase equipment. The expenditure for these agreements was $94,296 for the year ended June 30, 2021. The following is summary of future obligations under these purchase agreements:

Year Ending June 30,	Amount
2022	$ 94,296
2023	15,716
	$ 110,012

24. SUBSEQUENT EVENTS

The District has evaluated subsequent events through the date of the auditor's report, which is the date the financial statements were available to be issued. No significant events were identified that would require adjustment of or disclosure in the financial statements, except for the following:

A. Bond Vote

On August 23, 2021, the District authorized the expenditure of up to $30,000,000 to construct alterations and improvements to District buildings, with financing from the issuance of bonds in the same amount. A bond proposition vote will be held on October 19, 2021, for qualified voters of the District.

B. Issuance of TANs

On September 9, 2021, the District issued tax anticipation notes in the amount of $12,000,000, which are due June 24, 2022, and bear interest at a rate of 1.50%. The District received a premium of $128,640 with the borrowing to yield an effective interest rate of 0.15%.

MILLER PLACE UNION FREE SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
REVENUES				
Local Sources				
Real property taxes	$ 43,375,403	$ 43,727,519	$ 43,729,812	$ 2,293
Other tax items	4,240,656	3,888,540	3,888,540	-
Charges for services	200,000	200,000		(200,000)
Use of money and property	200,000	200,000	61,782	(138,218)
Miscellaneous	177,000	191,029	858,153	667,124
Total Local Sources	48,193,059	48,207,088	48,538,287	331,199
State Sources	23,352,922	23,352,922	23,739,263	386,341
Medicaid Reimbursement			25,650	25,650
Total Revenues	71,545,981	71,560,010	72,303,200	743,190
OTHER SOURCES				
Operating Transfers In	17,575	17,575	17,575	-
Total Revenues and Other Sources	71,563,556	71,577,585	72,320,775	$ 743,190
APPROPRIATED FUND BALANCE				
Prior Years' Surplus	3,447,767	3,447,767		
Prior Year's Encumbrances	1,457,482	1,457,482		
Appropriated Reserves	702,572	994,103		
Total Appropriated Fund Balance	5,607,821	5,899,352		
Total Revenues, Other Sources and Appropriated Fund Balance	$ 77,171,377	$ 77,476,937		

Note to Required Supplementary Information

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

MILLER PLACE UNION FREE SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund (Continued)
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual & Encumbrances
EXPENDITURES					
General Support					
Board of education	$ 71,110	$ 70,587	$ 64,584	$	$ 6,003
Central administration	438,942	597,385	585,419		11,966
Finance	802,922	769,179	692,564	38,306	38,309
Staff	737,740	755,679	711,414	9,656	34,609
Central services	5,172,254	5,797,517	5,377,399	200,547	219,571
Special items	752,257	679,603	649,047		30,556
Total General Support	7,975,225	8,669,950	8,080,427	248,509	341,014
Instruction					
Administration & improvement	3,782,434	3,660,951	3,603,390	389	57,172
Teaching - regular school	19,041,734	20,002,262	19,659,426	79,491	263,345
Programs for students with disabilities	11,941,234	11,772,485	11,182,815		589,670
Occupational education	480,114	480,114	477,700		2,414
Teaching - special school	-	4,074	4,074		-
Instructional media	3,740,183	3,929,812	3,805,518	29,889	94,405
Pupil services	4,040,272	3,936,001	3,549,699	22,951	363,351
Total Instruction	43,025,971	43,785,699	42,282,622	132,720	1,370,357
Pupil Transportation	4,095,424	3,991,424	3,056,960		934,464
Community Services	50	50	-		50
Employee Benefits	16,812,605	15,795,289	15,595,815		199,474
Debt Service					
Principal	2,515,153	2,515,153	2,515,152		1
Interest	1,310,938	1,283,361	1,209,771		73,590
Total Debt Service	3,826,091	3,798,514	3,724,923	-	73,591
Total Expenditures	75,735,366	76,040,926	72,740,747	381,229	2,918,950
OTHER USES					
Operating Transfers Out	1,436,011	1,436,011	1,423,295		12,716
Total Expenditures and Other Uses	$ 77,171,377	$ 77,476,937	74,164,042	$ 381,229	$ 2,931,666
Net Change in Fund Balance			(1,843,267)		
Fund Balances - Beginning of Year			17,677,279		
Fund Balances - End of Year			$ 15,834,012		

Note to Required Supplementary Information

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

MILLER PLACE UNION FREE SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Asset/(Liability)
Last Seven Fiscal Years

Teachers' Retirement System

	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset (liability)	0.156750%	0.157486%	0.163972%	0.165588%	0.168781%	0.167840%	0.164244%
District's proportionate share of the net pension asset (liability)	$ (4,331,426)	$ 4,091,488	$ 2,965,053	$ 1,258,634	$ (1,807,712)	$ 17,433,277	$ 18,295,751
District's covered payroll	$ 26,906,435	$ 26,286,914	$ 27,242,751	$ 26,538,151	$ 26,635,375	$ 26,216,727	$ 24,924,512
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	(16.10)%	15.56 %	10.88 %	4.74 %	(6.79)%	66.50 %	73.40 %
Plan fiduciary net position as a percentage of the total pension liability	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%
Discount rate	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%

Employees' Retirement System

	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.0171387%	0.0180324%	0.0195726%	0.0198121%	0.0199200%	0.0206542%	0.0200994%
District's proportionate share of the net pension liability	$ (17,066)	$ (4,755,084)	$ (1,386,780)	$ (639,426)	$ (1,871,731)	$ (3,315,054)	$ (679,008)
District's covered payroll	$ 5,696,072	$ 5,621,897	$ 5,689,549	$ 5,854,768	$ 5,723,101	$ 6,038,052	$ 6,067,410
District's proportionate share of the net pension liability as a percentage of its covered payroll	(0.30)%	(84.58)%	(24.37)%	(10.92)%	(32.70)%	(54.90)%	(11.19)%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%
Discount rate	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%

An additional year of historical information will be added each year, subsequent to the year of implementation, until 10 years of historical data is available.

MILLER PLACE UNION FREE SCHOOL DISTRICT
Schedule of District Pension Contributions
Last Ten Fiscal Years

Teachers' Retirement System

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ 2,724,379	$ 2,361,406	$ 2,791,670	$ 2,617,507	$ 3,071,778	$ 3,453,509	$ 4,429,833	$ 3,942,792	$ 2,804,402	$ 2,696,241
Contributions in relation to the contractually required contribution	2,724,379	2,361,406	2,791,670	2,617,507	3,071,778	3,453,509	4,429,833	3,942,792	2,804,402	2,696,241
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 28,796,687	$ 26,906,435	$ 26,286,914	$ 27,242,751	$ 26,538,151	$ 26,635,375	$ 26,216,727	$ 24,924,512	$ 24,617,852	$ 24,488,771
Contributions as a percentage of covered payroll	9%	9%	11%	10%	12%	13%	17%	16%	11%	11%

Employees' Retirement System

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ 866,372	$ 815,352	$ 805,581	$ 889,776	$ 820,892	$ 879,646	$ 973,134	$ 1,110,924	$ 1,100,061	$ 923,642
Contributions in relation to the contractually required contribution	866,372	815,352	805,581	889,776	820,892	879,646	973,134	1,110,924	1,100,061	923,642
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 5,827,560	$ 5,633,722	$ 5,578,673	$ 5,689,549	$ 5,854,768	$ 5,723,101	$ 6,038,052	$ 6,067,410	$ 5,811,109	$ 5,695,743
Contributions as a percentage of covered payroll	15%	14%	14%	16%	14%	15%	16%	18%	19%	16%

MILLER PLACE UNION FREE SCHOOL DISTRICT
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Last Four Fiscal Years

	2021	2020	2019	2018
Total OPEB liability				
Service cost	$ 5,270,674	$ 4,640,434	$ 2,312,900	$ 2,414,454
Interest	3,049,126	4,254,577	3,768,732	3,443,605
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(4,495,397)	(18,034,695)	(4,990,016)	-
Changes of assumptions or other inputs	(3,249,759)	27,815,028	22,728,233	(4,859,104)
Benefit payments	(2,733,743)	(2,359,023)	(2,274,971)	(1,983,998)
Net change in total OPEB liability	(2,159,099)	16,316,321	21,544,878	(985,043)
Total OPEB liability, beginning	134,058,241	117,741,920	96,197,042	97,182,085
Total OPEB liability, ending	$ 131,899,142	$ 134,058,241	$ 117,741,920	$ 96,197,042
Covered employee payroll	$ 29,658,219	$ 29,875,030	$ 28,979,884	$ 29,971,642
Total OPEB liability as a percentage of covered employee payroll	444.73%	448.73%	406.29%	320.96%
Discount rate	2.16%	2.21%	3.51%	3.87%
Health care trend rates	5.30% to 4.10% by 2075	5.30% to 3.84% by 2075	5.40% to 3.84% by 2075	5.50% to 3.84% by 2078

An additional year of historical information will be added each year, subsequent to the year of implementation, until 10 years of historical data is available.

Note to Required Supplementary Information

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

MILLER PLACE UNION FREE SCHOOL DISTRICT
Schedules of Change from Adopted Budget to Final Budget
and the Real Property Tax Limit - General Fund
For the Year Ended June 30, 2021

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget		$ 75,713,895
Additions:		
Prior year's encumbrances		1,457,482
Original Budget		77,171,377
Budget revision		305,560
Final Budget		$ 77,476,937

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-2022 voter-approved expenditure budget		$ 76,520,451
Maximum allowed (4% of 2021-2022 budget)		$ 3,060,818
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Assigned fund balance	$ 3,036,330	
Unassigned fund balance	3,051,773	
		$ 6,088,103
Less:		
Appropriated fund balance	2,655,101	
Encumbrances	381,229	
Total adjustments		3,036,330
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:		$ 3,051,773
Actual Percentage		3.99%

MILLER PLACE UNION FREE SCHOOL DISTRICT
Schedule of Project Expenditures and Financing Resources - Capital Projects Fund
For the Year Ended June 30, 2021

			Expenditures				Methods of Financing				Fund
	Budget	Budget	Prior	Current		Unexpended	Proceeds of				Balance
PROJECT TITLE	June 30, 2020	June 30, 2021	Years	Year	Total	Balance	Obligations	State Aid	Local Sources	Total	June 30, 2021
Districtwide Renovation	$ 111,294	$ 1,306,523	$	$	$ -	$ 1,306,523	$	$	$ 1,306,523	$ 1,306,523	$ 1,306,523
New Administration Building	3,400,000	3,400,000	3,382,425		3,382,425	17,575	3,400,000			3,400,000	17,575
Smart Schools Bond Act - AMPS 002-018	1,639,412	1,639,412	1,600,790		1,600,790	38,622		1,639,412		1,639,412	38,622
Smart Schools Bond Act - DW 007-999	253,261	253,261	5,206	195,615	200,821	52,440		253,261		253,261	52,440
High School Tank and Asbestos 006-031	508,435	508,435	508,434		508,434	1		100,000	408,435	508,435	1
AMPS Playground and Asbestos 002-019	99,910	99,910	98,720		98,720	1,190			99,910	99,910	1,190
AMPS Playground and Asbestos 002-020	99,990	99,990	4,425	92,588	97,013	2,977			99,990	99,990	2,977
LADSBS Playground and Asbestos 003-01[illegible]	99,990	99,990	99,088		99,088	902			99,990	99,990	902
HS Asbestos, Paving and Electric 006-034	850,000	850,000	33,442	18,195	51,637	798,363			850,000	850,000	798,363
Totals	$ 7,062,292	$ 8,257,521	$ 5,732,530	$ 306,398	$ 6,038,928	$ 2,218,593	$ 3,400,000	$ 1,992,673	$ 2,864,848	$ 8,257,521	2,218,593
										Smart Schools Bond Act Receivable	(91,062)
										Unused funds transferred to the general fund	(17,575)
										Fund Balance	$ 2,109,956

MILLER PLACE UNION FREE SCHOOL DISTRICT
Schedule of Net Investment in Capital Assets
June 30, 2021

Capital assets, net	$ 48,285,280
Deduct:	
Short-term portion of bonds payable	2,150,000
Long-term portion of bonds payable	18,280,000
Short-term portion of energy performance contracts	481,159
Long-term portion of energy performance contracts	4,486,062
	25,397,221
Net Investment in Capital Assets	$ 22,888,059

CULLEN & DANOWSKI, LLP
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CHRISTOPHER V. REINO, CPA
ALAN YU, CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Education
Miller Place Union Free School District
Miller Place, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the fiduciary fund of the Miller Place Union Free School District (District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 10, 2021.

That report included a qualified opinion on the extraclassroom activities fund based on a scope limitation.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Miller Place Union Free School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Miller Place Union Free School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Miller Place Union Free School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Miller Place Union Free School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cullen & Danowski, LLP

September 10, 2021

APPENDIX D

FORMS OF BOND COUNSEL OPINIONS

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

August 30, 2022

The Board of Education of
Miller Place Union Free School District, in the
County of Suffolk, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Miller Place Union Free School District (the "School District"), in the County of Suffolk, New York, a school district of the State of New York, and have examined a record of proceedings relating to the authorization, sale, and issuance of the $5,000,000 School District Serial Bonds-2022 (the "Bonds"), dated and delivered on the date hereof.

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

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

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

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

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

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

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

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

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

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

Very truly yours,

FORM OF OPINION OF BOND COUNSEL

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

August 30, 2022

The Board of Education of
Miller Place Union Free School District,
in the County of Suffolk, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to Miller Place Union Free School District (the "School District"), in the County of Suffolk, a school district of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the $12,000,000 Tax Anticipation Notes for 2022-2023 Taxes (the "Note"), dated and delivered the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

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

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

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

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

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

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

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

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

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

Very truly yours,

APPENDIX E

CONTINUING DISCLOSURE UNDERTAKING

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

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

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

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

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

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

"Issuer" shall mean the **Miller Place Union Free School District,** in the County of Suffolk, a school district of the State of New York.

"MSRB" shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

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

"Securities" shall mean the Issuer's **$5,000,000 School District Serial Bonds-2022**, dated August 30, 2022, maturing in various principal amounts on August 15 in each of the years 2023 to 2037, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided to the EMMA System:

(i) not later than the last day of the sixth month following the end of each fiscal year, commencing with the fiscal year ending June 30, 2023, the Annual Information relating to such fiscal year, together with audited financial statements of the Issuer for each fiscal year commencing with the fiscal year ending June 30, 2023, if audited financial statements are then available; provided, however, that if audited financial statements are not then available, unaudited financial statements shall be provided with the Annual Information, and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than the last day of the succeeding fiscal year; provided, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17 (a)(2) of the Securities Act of 1933.

(ii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Securities:

(1) principal and interest payment delinquencies;

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

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

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

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

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

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

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

(9) defeasances;

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

(11) rating changes;

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

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

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

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

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

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

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

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

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

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the headings: "The District", "Economic and Demographic Information", "Indebtedness of the District", "Finances of the District", "Tax Information", and "Litigation", and in Appendix A.

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

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

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

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

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

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

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

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

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

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

(e) to modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or

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

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

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

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

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

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

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **August 30, 2022**.

MILLER PLACE UNION FREE SCHOOL DISTRICT

By: ______________________________

President of the Board of Education

APPENDIX F

NOTICE OF EVENTS UNDERTAKING

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

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

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

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

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

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

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

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

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

"Securities" shall mean the Issuer's $12,000,000 Tax Anticipation Notes for 2022-2023 Taxes, dated August 30, 2022, maturing on June 28, 2023, and delivered on the date hereof.

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

(1) principal and interest payment delinquencies;

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

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

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

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

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

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

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

(9) defeasances;

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

(11) rating changes;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **August 30, 2022.**

MILLER PLACE UNION FREE SCHOOL DISTRICT

By____
President of the Board of Education