

NOTICE OF SALE

SHELTER ISLAND UNION FREE SCHOOL DISTRICT
SUFFOLK COUNTY, NEW YORK
(the "District")

\$1,500,000* TAX ANTICIPATION NOTES FOR 2022-2023 TAXES
(the "Notes")

BANK QUALIFIED

SALE DATE: October 19, 2022 TELEPHONE: (631) 331-8888
TIME: 11:00 AM FACSIMILE: (631) 331-8834
(Prevailing Time)
PLACE OF SALE: Munistat Services, Inc.
12 Roosevelt Avenue
Port Jefferson Station, New York 11776
DATE OF NOTES: November 2, 2022
MATURITY DATE: April 28, 2023

Submission of Bids

Sealed proposals, telephone proposals, fax proposals and proposals via iPreo's Parity Electronic Bid Submission System ("Parity") will be received at the place and time on the Sale Date as hereinabove indicated, for the purchase at not less than par and accrued interest of the Notes as hereinabove described. No other form of electronic bidding services will be accepted. The number for telephone proposals is (631) 331-8888. The number for FAX proposals is (631) 331-8834. Bidders submitting proposals via facsimile must use the "Proposal for Notes" form attached hereto.

Proposals may be submitted in accordance with this Notice of Sale until the time specified herein. No proposal will be accepted after the time for receiving proposals specified above. Any proposal received by the time for receiving proposals specified herein, which have not been modified or withdrawn by the bidder, shall constitute an irrevocable offer to purchase the Notes pursuant to the terms herein and therein provided. Bidders shall not submit a bid that modifies the terms contained in this Notice of Sale or adds additional conditions not set forth in the Notice of Sale.

The District reserves the right to reject any and all bids (regardless of the interest rate bid), to reject any bid not complying with this Notice of Sale and, so far as permitted by law, to waive any irregularity or informality with respect to any bid or the bidding process.

The timely delivery of all proposals submitted by facsimile transmission (FAX) must be in legible and complete form, signed by an authorized representative of the bidder(s), and shall be the sole responsibility of the bidder(s). The District shall not be responsible for any errors and/or delays in transmission and/or receipt of such bids, mechanical or technical failures or disruptions, or any omissions or irregularities in any bids submitted in such manner.

*Preliminary, subject to change.

Bids must be for all of the Notes (\$1,500,000 minimum) and must state in a multiple of one-hundredth or one-eighth of 1% a rate of interest per annum which such Notes shall bear. Interest will be calculated on the basis of a 30-day month and 360-day year. The Notes will not be subject to prior redemption.

The School District may, after selecting the low bidder, decrease the aggregate principal amount of the Notes in an amount not in excess of the premium offered by the successful bidder in order that the total proceeds, which include the total principal amount of the Notes plus the original issue premium, if any, received by the School District does not exceed the maximum amount permitted under applicable provisions of the Code. The successful bidder may neither withdraw nor modify its bid as a result of any such post-bid adjustment. Any such adjustment shall be conclusive, shall be promptly communicated to the successful bidder, and shall be binding upon the successful bidder.

Bidding using Parity

Prospective bidders wishing to submit an electronic bid via Parity must be contracted customers of Parity. Prospective bidders who do not have a contract with Parity must call (212) 849-5021 to become a customer. By submitting an electronic bid for the Notes, a bidder represents and warrants to the district that such bidder's bid for the purchase of the Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Notes.

Each prospective bidder who wishes to submit electronic bids shall be solely responsible to register to bid via Parity. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the District nor Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the District nor Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by Parity. The District is using Parity as a communications mechanism, and not as the District's agent, to conduct the electronic bidding for the District's Notes. The District is not bound by any advice or determination of Parity as to whether any bid complies with the terms of this Notice of Sale. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via Parity are the sole responsibility of the bidders, and the District is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid, or submitting or modifying a bid for the Notes, it should telephone Parity and notify the District's Municipal Advisor, Munistat Services Inc. at (631) 331-8888 (provided that the District shall have no obligation to take any action whatsoever upon receipt of such notice).

If any provisions of this Notice of Sale shall conflict with information provided by Parity, as approved provider of electronic bidding services, this Notice of Sale shall control. Further information about Parity, including any fee charged, may be obtained from Parity at (212) 849-5021. The time maintained by Parity shall constitute the official time with respect to all bids submitted.

Payment and Security for the Notes

Said Notes are general obligations of the District and the faith and credit of such District are pledged for payment of the principal of and interest on such Notes. The State Constitution requires the District to pledge its faith and credit for the payment of the principal of the Notes and the interest thereon and to make annual appropriations for the amounts required for the payment of such interest and the redemption of the Notes. All the taxable real property in said District will be subject to the levy of ad valorem taxes, subject to certain statutory limitations, sufficient to pay the principal of and interest on the Notes.

Upon default in the payment of principal of or interest on the Notes or certain other obligations of the District, the State Comptroller is required, under the conditions and to the extent prescribed by Section 99-b of the State Finance Law, to withhold state aid and assistance to the District and apply the amount thereof so withheld to the payment of defaulted principal and interest with respect to said Notes and said other obligations.

Award of Notes

The Notes will be awarded and sold to the bidder(s) complying with the terms of sale and offering to purchase the Notes at the lowest net interest cost, and if two or more such bidders offer the same lowest net interest cost, then to one of said bidders offering to purchase the largest par amount of the Notes and if all of said bidders offer the same net interest cost and offer to purchase the same par amount, then to the one of said bidders selected by the Sale Officer by lot from among all said bidders.

The right is reserved by the District to award to any bidder all or any part of the Notes, which such bidder offers to purchase and, in the event of a partial award, the premium, if any, specified by such bidder will be pro-rated.

Award of the Notes is expected to be made promptly after opening of the bids, but the successful bidder(s) may not withdraw his/her proposal until after 3:00 o'clock P.M. (Prevailing Time) on the day of such bid opening and then only if such award has not been made prior to the withdrawal. The Notes will be delivered and shall be paid for on or about the Date of Notes at such place and on such business day and at such hour, as the Sale Officer and successful bidder(s) shall mutually agree.

Form of the Notes

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

If the Notes are registered in the name of the successful bidder(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to the respective successful bidder(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 \$100,000 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.

CUSIP identification numbers will be printed on the book-entry Notes if Bond Counsel is provided with such numbers by the close of business on the Sale Date of the Notes, but neither the failure to print such number on any Note nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery and pay for the Notes in accordance with the terms hereof. All expenses in relation to the printing of CUSIP numbers on the Notes shall be paid for by the District; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser. DTC is an automated depository for securities and a clearinghouse for securities transactions, and will be responsible for establishing and maintaining a book-entry-only system for

recording the ownership interests of its participants, which include certain banks, trust companies and securities dealers, and the transfer of the interests among its participants. The DTC participants will be responsible for establishing and maintaining records with respect to the Notes. Individual purchases of beneficial ownership interests in the Notes may be made only through book entries made on the books and records of DTC (or a successor depository) and its participants.

The District will act as Paying Agent for the Notes issued in book-entry form. For those Notes issued as certificated debt, the purchaser will be, or named, Fiscal Agent. Fiscal Agent fees, if any, will be paid for by the purchaser. The District's contact information is as follows: Deborah Vecchio, District Treasurer, Shelter Island Union Free School District, 33 North Ferry Road, PO Box 2015, Shelter Island, NY 11964, Phone (631) 749-0302, Fax (631) 749-1262 and email: debbie.vecchio@shelterisland.k12.ny.us.

Delivery of the Notes

Said Notes will be delivered on or about the Date of Notes, referred to herein, at no cost to the purchaser(s), in New York, New York or otherwise as may be agreed with the purchaser; however, if the Notes are issued in book-entry only form, said Notes will be delivered to DTC, Jersey City, New Jersey. The purchase price of said Notes shall be paid in FEDERAL FUNDS or other funds available for immediate credit on said delivery date.

Legal Opinion

The proposed form of the approving legal opinion of Bond Counsel is substantially attached hereto and will be furnished to the purchaser upon delivery of the Notes.

Tax Exemption

The successful bidder(s) may at its option refuse to accept the Notes if prior to their delivery the opinion of Hawkins Delafield & Wood LLP ("Bond Counsel") is not delivered or if any income tax law of the United States of America is hereafter enacted which shall provide that the interest thereon is taxable, or shall be taxable at a future date, for federal income tax purposes, and in such case said successful bidder(s) will be relieved of their contractual obligations arising from the acceptance of their proposal.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excludable from gross income under Section 103 of the Code. Concurrently with the delivery of the Notes, the District will execute and deliver a Tax Certificate, which will contain provisions and procedures relating to compliance with the requirements of the Code and a certification 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 that interest paid on the Notes is excludable from gross income under Section 103 of the Code.

Upon delivery of the Notes, Bond Counsel will deliver an opinion that states that, under existing statutes and court decisions and assuming continuing compliance with the provisions and procedures set forth in the Tax Certificate, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code; and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

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

Bank Qualification Status

The District will designate the Notes as “qualified tax-exempt obligations” pursuant to the provisions of Section 265 of the Code.

Obligation of Winning Bidder(s) to Deliver an Issue Price Certificate at Closing

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Notes, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the “issue price” of the Notes pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the “Competitive Sale Requirements”). The Municipal Advisor will advise the winning bidder(s) if the Competitive Sale Requirements were met at the same time it notifies the winning bidder(s) of the award of the Notes. **Bids will not be subject to cancellation in the event that the Competitive Sale Requirements are not satisfied.**

The winning bidder(s) shall, within one (1) hour after being notified of the award of the Notes, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial public offering price or yield of each maturity of the Notes (the “Initial Reoffering Prices”) as of the date of the award.

By submitting a bid, the winning bidder(s) agrees (unless the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Requirements are not met, it will elect and satisfy either option (1) or option (2) described below. *Such election must be made on the bid form submitted by each bidder. In the event a bidder submits a bid via Parity, such bidder must notify the Municipal Advisor by email (nnadelson@munistat.com) as to such election at the time such bid is submitted.*

(1) **Hold the Price.** The winning bidder(s):

- (a) will make a bona fide offering to the public of all of the Notes at the Initial Reoffering Prices and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel,
- (b) will neither offer nor sell to any person any Notes within a maturity at a price that is higher, or a yield that is lower, than the Initial Reoffering Price of such maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least 10 percent of the Notes of such maturity at a price that is no higher, or a yield that is no lower, than the Initial Reoffering Price of such maturity or (ii) the close of business on the 5th business day after the date of the award of the Notes, and
- (c) has or will include within any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Notes as set forth above.

(2) **Follow the Price.** The winning bidder(s):

- (a) will make a bona fide offering to the public of all of the Notes at the Initial Reoffering Prices and provide the Issuer with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel,

(b) will report to the Issuer information regarding the first price that at least 10 percent of the Notes within each maturity of the Notes have been sold to the public,

(c) will provide the Issuer with reasonable supporting documentation or certifications of such sale prices the form of which is acceptable to Bond Counsel. This reporting requirement, which may extend beyond the closing date of the Notes, will continue until such date that the requirement set forth in paragraph (b) above for each maturity of the Notes is satisfied, and

(d) has or will include within any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

For purposes of the “hold the price” or “follow the price” requirement, a “maturity” refers to Notes that have the same interest rate, credit and payment terms.

Regardless of whether or not the Competitive Sale Requirements were met, the winning bidder shall submit to the Issuer a certificate (the “Reoffering Price Certificate”), satisfactory to Bond Counsel, prior to the delivery of the Notes stating the applicable facts as described above. The form of Reoffering Price Certificate is available by contacting Bond Counsel or the Municipal Advisor.

If the winning bidder has purchased the Notes for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Requirements were met, the Reoffering Price Certificate will recite such facts and identify the price or prices at which the purchase of the Notes was made.

For purposes of this Notice, the “public” does not include the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Notes to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Notes to the public). In making the representations described above, the winning bidder must reflect the effect on the offering prices of any “derivative products” (e.g., a tender option) used by the bidder in connection with the initial sale of any of the Notes.

Contact Information

The District’s contact information is as follows: Deborah Vecchio, District Treasurer, Shelter Island Union Free School District, 33 North Ferry Road, PO Box 2015, Shelter Island, NY 11964, Phone (631) 749-0302, Fax (631) 749-1262 and email: debbie.vecchio@shelterisland.k12.ny.us.

AN OFFICIAL STATEMENT HAS NOT BEEN PREPARED IN CONNECTION WITH THE SALE OF THE NOTES. THE DISTRICT’S ACTUAL CASH FLOW FOR FISCAL YEAR 2021-2022 AND PROJECTED CASH FLOW FOR FISCAL YEAR 2022-2023 ARE ATTACHED HERETO.

Copies of this Notice of Sale may be obtained upon request from the offices of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number (631) 331-8888 and website: <http://www.munistat.com>.

SHELTER ISLAND UNION FREE SCHOOL DISTRICT, NEW YORK

By: /s/ Margaret Colligan
President of the Board of Education

Dated: October 11, 2022

PROPOSAL FOR NOTES

President of the Board of Education
Shelter Island Union Free School District
c/o Munistat Services, Inc.
12 Roosevelt Avenue
Port Jefferson Station, New York 11776

TELEPHONE: (631) 331-8888

FACSIMILE: (631) 331-8834

SHELTER ISLAND UNION FREE SCHOOL DISTRICT
SUFFOLK COUNTY, NEW YORK

\$1,500,000* TAX ANTICIPATION NOTES FOR 2021-2022 TAXES
(the "Notes")

DATED: November 2, 2022

MATURITY: April 28, 2023

	Amount	Interest Rate	Premium	Net Interest Cost
Bid 1	\$	%	\$	%
Bid 2	\$	%	\$	%
Bid 3	\$	%	\$	%
Bid 4	\$	%	\$	%

Please select one of the following (if no option is selected, the book-entry-only option will be assumed to have been selected by the bidder):

- Book-Entry-Only registered to Cede & Co.
- Registered in the name of the bidder

Please check one of the following:

- We are purchasing the Notes for our own account and not with a view to distribution or resale to the public.
- In the event the Competitive Sale Requirements are not met, we hereby elect to
 - Hold the Price
 - Follow the Price

The computation of the net interest cost is made as provided in the above-mentioned Notice of Sale, but does not constitute any part of the foregoing Proposal for the purchase of the Notes therein described.

Signature: _____

Name of Bidder: _____

Address: _____

Telephone (Area Code): _____

Fax (Area Code): _____

*Preliminary, subject to change.

APPENDIX A

FINANCIAL STATEMENTS

Balance Sheet
General Fund

	Fiscal Year Ending June 30:		
	2019	2020	2021
Assets:			
Cash - Unrestricted	\$ 2,482,300	\$ 2,865,394	\$ 2,004,951
Cash - Restricted	774,974	774,512	1,999,653
Taxes Receivable			
Accounts Receivable			
Due From Other Funds	136,836	193,631	632,928
Due from Fiduciary Funds		8,067	
Due from State and Federal Aid	17,891	315,117	331,330
Due From Other Governments	40,881		
	<u>\$ 3,452,882</u>	<u>\$ 4,156,721</u>	<u>\$ 4,968,862</u>
Total Assets			
Liabilities			
Accounts Payable	\$ 163,559	\$ 123,211	\$ 98,714
Accrued Liabilities	6,032	4,185	3,096
Due to Other Funds	3,483	161,000	535,544
Due to Other Governments	1,790	4,349	29,360
Due to Teachers Retirement System	537,696	464,681	539,385
Due to Employees Retirement Systems	40,685	41,943	49,168
Other Liabilities			11,983
Collections in Advance		4,726	4,726
Unavailable Revenues		263,024	250,000
	<u>753,245</u>	<u>1,067,119</u>	<u>1,521,976</u>
Total Liabilities			
Fund Balances:			
Restricted	774,974	1,525,626	2,007,641
Assigned	787,790	763,978	776,308
Unassigned	1,136,873	799,998	662,937
	<u>2,699,637</u>	<u>3,089,602</u>	<u>3,446,886</u>
Total Fund Balances			
Total Liabilities and Fund Equity	<u>\$ 3,452,882</u>	<u>\$ 4,156,721</u>	<u>\$ 4,968,862</u>

Source: Audited Annual Financial Reports (2019-2021)

NOTE: This schedule itself is NOT audited.

**Statement of Revenues, Expenditures and Changes in Fund Equity
General Fund**

	Fiscal Year Ending June 30:				
	2017	2018	2019	2020	2021
Revenues:					
Real Property Taxes	\$ 9,864,162	\$ 10,016,305	\$ 10,233,793	\$ 10,452,335	\$ 10,684,661
Other Tax Items	136,734	116,424	109,883	101,708	93,380
Charges for Services	450	450	210	600	6,000
Use of Money and Property	11,732	13,462	19,625	13,760	5,313
Sale of Property & Comp. for Loss	31,470			9,641	860
Miscellaneous	52,160	71,688	56,630	69,529	93,941
State Sources	622,717	607,954	599,712	604,531	643,393
Federal Sources			6,375		7,778
Total Revenues	\$ 10,719,425	\$ 10,826,283	\$ 11,026,228	\$ 11,252,104	\$ 11,535,326
Expenditures:					
General Support	\$ 1,591,648	\$ 1,508,215	\$ 1,650,909	\$ 1,630,605	\$ 1,835,473
Instruction	5,062,588	5,134,753	5,259,253	5,350,464	5,447,002
Pupil Transportation	288,038	320,763	416,912	322,827	404,420
Employee Benefits	2,998,059	2,842,261	2,973,564	2,824,962	2,914,935
Debt Service	460,542	473,560	479,413	464,622	469,972
Total Expenditures	\$ 10,400,875	\$ 10,279,552	\$ 10,780,051	\$ 10,593,480	\$ 11,071,802
Excess (Deficit) of Revenues over Expenditures	318,550	546,731	246,177	658,624	463,524
Other Sources and Uses:					
Operating Transfers In	9,761				2,269
Operating Transfers (Out)	(95,584)	(255,036)	(204,335)	(268,659)	(108,509)
Total Other Sources	(85,823)	(255,036)	(204,335)	(268,659)	(106,240)
Excess (Deficiency) of Revenues & Other Sources over Expenditures and other Uses	232,727	291,695	41,842	389,965	357,284
Fund Equity Beginning of Year	2,133,373	2,366,100	2,657,795	2,699,637	3,089,602
Prior Period Adjustment					
Fund Equity End of Year	\$ 2,366,100	\$ 2,657,795	\$ 2,699,637	\$ 3,089,602	\$ 3,446,886

Source: Audited Annual Financial Reports of the School District (2017-2021)

Note: Table itself is not audited.

Budget Summary
General Fund

	Fiscal Year Ending June 30:	
	2021-2022	2022-2023
Revenues:		
Real Property Taxes and Tax Items	\$ 11,016,572	\$ 11,016,572
State Aid	668,379	683,620
Reserves		60,000
Appropriated Fund Balance	699,996	685,331
Total Revenues	\$ 12,384,947	\$ 12,445,523
Expenditures:		
General Support	\$ 1,968,284	\$ 2,014,046
Instruction	6,012,799	5,995,279
Pupil Transportation	517,245	541,555
Employee Benefits	3,263,807	3,338,030
Debt Service	486,813	420,613
Transfers	136,000	136,000
Total Expenditures	\$ 12,384,947	\$ 12,445,523

Source: Adopted Budgets of the School District.

APPENDIX B

CASH FLOWS

SHELTER ISLAND UNION FREE SCHOOL DISTRICT

CASH FLOW ACTUAL 2021-2022

	July	August	September	October	November	December	January	February	March	April	May	June	TOTALS
Balance ^a	4,008,783	3,316,462	2,792,327	2,057,211	2,166,504	1,512,658	709,428	6,194,484	5,781,633	4,908,832	4,278,698	4,031,713	4,008,783
RECEIPTS													
Property Taxes		109					6,251,654	635,000	45,000	125,000	975,000	2,984,809	11,016,572
STAR & PILOT								45,545				22,062	67,607
State Aid	83,321	18,662	9,719	36,393	398,381	57,808	88,014	17,930	58,482		16,816	19,841	805,367
Other Revenues- General Fund		29,823		1,500	1,117	264,210	10,762	5,448	4,020	3,480	24,312	7,442	352,114
Tan Proceeds				1,507,669									1,507,669
Other Revenues- All Other Funds			227	451	343	350	956					37,627	39,954
TOTAL RECEIPTS	83,321	48,594	9,946	1,546,013	399,841	322,368	6,351,386	703,923	107,502	128,480	1,016,128	3,071,781	13,789,283
DISBURSEMENTS													
Salary & Benefits	158,516	123,109	497,997	548,437	495,941	767,071	564,250	516,262	497,906	492,274	481,284	1,411,755	6,554,802
Operating Expenses	617,086	449,620	205,574	888,283	511,972	344,580	301,580	589,753	380,184	263,886	643,254	260,633	5,456,405
TAN Interest Payment												12,344	12,344
TAN Principal Payment												1,500,000	1,500,000
Transfers to Other District Funds					31,440			10,291	59,523	2,454	14,523	2,454	120,685
Other Debt Service			41,491		13,956	13,572			40,509		123,956	213,572	447,056
Other	40				378	375	500	468	2,181		96		4,038
TOTAL DISBURSEMENTS	775,642	572,729	745,062	1,436,720	1,053,687	1,125,598	866,330	1,116,774	980,303	758,614	1,263,113	3,400,758	14,095,330
ENDING BALANCE	3,316,462	2,792,327	2,057,211	2,166,504	1,512,658	709,428	6,194,484	5,781,633	4,908,832	4,278,698	4,031,713	3,702,736	3,702,736
Note Repay Fund													
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	1,500,000	1,500,000
Disbursements	0	0	0	0	0	0	0	0	0	0	0	1,500,000	1,500,000
Balance	0	0	0	0	0	0	0	0	0	0	0	0	0

a. Beginning Balance includes Restricted Reserves in the approximate amount of \$2 million

SHELTER ISLAND UNION FREE SCHOOL DISTRICT

CASH FLOW PROJECTION 2022-2023 ^a

	July	August	September	October	November	December	January	February	March	April	May	June	TOTALS
Balance ^a	3,702,736	3,216,773	2,894,697	2,161,380	692,381	1,514,305	704,580	5,484,701	4,394,732	3,462,311	2,656,585	2,379,271	3,702,736
RECEIPTS													
Property Taxes							6,251,763	635,000	45,000	125,000	975,000	2,984,809	11,016,572
STAR & PILOT								45,545				22,062	67,607
State Aid	103,887	29,045	9,941	37,223	407,465	59,126	90,021	18,339	59,816		17,199	20,293	852,355
Other Revenues- General Fund	4,140	33,261		1,500	1,117	264,210	10,762	5,448	4,020	3,480	24,312	7,442	359,692
Tan Proceeds					1,500,000								1,500,000
Other Revenues- All Other Funds			227	451	343	350	956					37,627	39,954
TOTAL RECEIPTS	108,027	62,306	10,168	39,174	1,908,925	323,686	6,353,502	704,332	108,836	128,480	1,016,511	3,072,233	13,836,180
DISBURSEMENTS													
Salary & Benefits	120,338	145,391	481,916	530,727	479,927	742,301	546,029	499,591	481,828	476,378	465,743	1,366,168	6,336,337
Operating Expenses	423,828	237,649	226,209	977,446	563,362	379,168	331,852	648,951	418,346	290,374	707,822	286,794	5,491,801
TAN Interest Payment										40,000			40,000
TAN Principal Payment							695,000	635,000	45,000	125,000			1,500,000
Transfers to Other District Funds	49,675	1,232			31,440			10,291	59,523	2,454	14,523	2,454	171,592
Other Debt Service			35,360		11,894	11,567			34,379		105,641	182,016	380,856
Other	149	110			378	375	500	468	2,181		96		4,257
TOTAL DISBURSEMENTS	593,990	384,382	743,485	1,508,173	1,087,001	1,133,411	1,573,381	1,794,301	1,041,257	934,206	1,293,825	1,837,432	13,924,844
ENDING BALANCE	3,216,773	2,894,697	2,161,380	692,381	1,514,305	704,580	5,484,701	4,394,732	3,462,311	2,656,585	2,379,271	3,614,072	3,614,072
Note Repay Fund													
Balance	0	0	0	0	0	0	0	695,000	1,330,000	1,375,000	0	0	0
Receipts	0	0	0	0	0	0	695,000	635,000	45,000	125,000	0	0	1,500,000
Disbursements	0	0	0	0	0	0	0	0	0	1,500,000	0	0	1,500,000
Balance	0	0	0	0	0	0	695,000	1,330,000	1,375,000	0	0	0	0

a. Beginning Balance includes Restricted Reserves in the approximate amount of \$2 million

APPENDIX C

FORM OF BOND COUNSEL'S OPINION

FORM OF OPINION OF BOND COUNSEL

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

November , 2022

The Board of Education of
Shelter Island Union Free School District,
in the County of Suffolk, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to Shelter Island 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 \$1,500,000 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, however for tax years beginning after December 31, 2022, interest on the Note is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of 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,