

**PATCHOGUE-MEDFORD UNION FREE SCHOOL DISTRICT
SUFFOLK COUNTY, NEW YORK**

**REQUEST FOR PROPOSALS
TO FINANCE AN ENERGY PERFORMANCE LEASE PURCHASE AGREEMENT**

NOT BANK QUALIFIED

Overview

The Patchogue-Medford Union Free School District, Suffolk County, New York (the "District"), is seeking proposals (the "Proposal") from qualified respondents to be a third party lessor to a lease purchase agreement with the District (the "Lease"), the proceeds of which will be used to finance equipment and related work for the implementation of energy conservation measures pursuant to an energy performance contract between the District and Johnson Controls, Inc. ("JCI") (the "Performance Contract"). The Performance Contract with JCI was executed on August 4, 2025 and amended on July 22, 2026. NYSED approvals were received on July 2, 2026. The District's building aid ratio is approximately 63.3%.

The District seeks competitive proposals for the \$30,010,943 lease-purchase with a final maturity of September 1, 2041.

Project Description

The Project contemplates implementation of various energy saving measures including installation of equipment and related work (the "Equipment"). Energy conservation measures are to be installed in the following District buildings: Patchogue-Medford High School, Oregon Middle School, Saxton Middle School, South Ocean Middle School, Barton Elementary School, Bay Elementary School, Canaan Elementary School, Eagle Elementary school, Medford Elementary School, River Avenue Elementary School, Tremont Elementary School and the District Offices. The energy conservation measures and related work are attached to this RFP.

Lease

Any proposed Lease shall define the purpose and objective of the financing and the rights and obligations of each party to the financing. Further, the Lease will specify the applicable interest rate, as well as standard contractual terms and conditions. The form of the lease purchase agreement, escrow agreement, and any related documents must be submitted with the proposal. Proposers must satisfy themselves that credit approval will be granted prior to submitting a proposal. All finance documents are subject to negotiation and modification by the District's counsel, and no terms shall be binding on the District until final approval by District's counsel. All agreements and contractual conditions are required to conform with the laws of the State of New York, including but not limited to New York General Municipal Law, Local Finance Law, Education Law, Energy Law and the regulations of the New York State Education Department, the Commissioner of Education and the Office of the New York State Comptroller. The District's attorneys will review and approve all documents before consideration and/or approval by the Board of Education.

Lessor will be required to provide a form of standard lease purchase agreement and escrow agreement with proposal.

Lease Assignment

Assignment of the Lease and related documents by the successful proposer shall be subject to the prior, written consent of the District. The Lease must state that any assignment or transfer of the Lessor's interest shall not be effective until the District has received prior, written notice, signed by the Lessor, of the name, contact person, address, telephone number and tax identification number of the proposed assignee and the District has given its consent in writing. No assignment will be valid unless the Lessor has received the District's prior, written consent. The lease shall further provide that certificates of participation shall not be executed and delivered without the express written approval of the District, which approval may be withheld by the District in its sole and absolute discretion.

Amount

The amount to be financed under the Lease is expected to be \$30,010,943. Lessor shall be responsible for all fees of Lessor including legal, issuance, origination, commitment and closing costs. The District shall not incur or absorb any fees, costs, or expenses of Lessor related to Lessor's proposal, negotiations, closing, documentation or other activities related to this RFP or the proposed transaction. In the event that a transaction does not close because of the successful proposer's failure to meet the terms of this RFP, the successful proposer shall be responsible for any and all costs incurred by the District in connection with the failed transaction and its negotiation.

Specifications

Interest Rate: The Lease Proposal must provide interest rate terms for a lease-purchase option to mature on September 1, 2041 and shall state the interest rates under any options at which the proposing firm will provide the District with financing under the Lease. The Proposal must also cite the index and margin used in establishing the interest rates cited.

Prepayment: The Proposal must state that District will have the right, at its option, to prepay the principal portion outstanding on the Lease, in whole or in part, at any time following 30 days written notice to the Lessor without incurring any penalties and/or additional expenses, costs or fees. The Proposal must disclose additional fees and terms, if any, that are required upon the execution of this prepayment right, in addition to interest payable. The Proposal must also disclose how such amounts are to be calculated in the event that the District exercises its right of partial or whole prepayment. **The proposal shall include an option to prepay without penalty or premium at any time, with no additional fees or charges of any kind. It is expected that the District will be eligible for a grant for a portion of the project. The District retains the ability to make an additional one time prepayment of the loan on account of grants, rebates or other funds received on account of the project, without incurring any penalties and/or additional expenses, costs or fees.**

Lease Payments: The District will make periodic payments to the Lessor under the Lease. The Lease shall separately state the principal and interest component of the periodic payments to be made thereunder. The total of these payments, which include both principal and interest components made by the District each year throughout the term of the Lease, shall result in substantially level or declining annual debt service (without taking into account projected State aid or annual energy savings). Debt service payments shall be detailed in an amortization schedule prepared by the proposer and provided to the District with its Proposal. For illustrative purposes, please assume a closing date of September 2, 2026 when developing an amortization schedule. Thereafter, debt service payments will be made semiannually in arrears on each March 1 and September 1 with the first debt service payment to be interest only due on September 1, 2027 and the first principal and interest payment to be on September 1, 2028. Thereafter, semi-annual lease payments will be both principal and interest. Lessor shall provide a statement and thirty days notification prior to each payment due date.

The Proposal must state that the interest rate and other terms cited in the proposal will be good through September 2, 2026. The Lease shall not become effective until the delivery of funds.

Term: The Lease-Purchase Agreement is scheduled to close on or around September 2, 2026 and mature on September 1, 2041.

Escrow: Upon closing, it is anticipated that lease proceeds will be deposited and collateralized in an interest bearing escrow account to be utilized over the course of project construction (the "Project Fund"). The District shall not be responsible for any costs, fees, expenses or charges of any kind associated with establishment, maintenance, administration, transfer or termination of escrow account. The escrow provider must be a bank or trust company located and authorized to do business in New York State (the "Escrow Agent"). Investment and collateralization of the moneys in such fund will be solely at the direction of the District and must be in compliance with the New York State General Municipal Law Sections 10 and 11 as well as the District's investment policy. **A copy of the District's Investment Policy is attached to this RFP.** The Escrow Agent shall be an agent of the District. The Project Fund shall be free of any security interest of the Escrow Agent.

1. At the option of the District, the moneys in the Project Fund may be held uninvested in the Project Fund. If invested, the Escrow Agent shall invest amounts on deposit in the Project Fund solely at the written direction of an Authorized Officer of the District. All investments made shall be subject to the following conditions:

(a) Such obligations shall 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. Any obligation that provides for the adjustment of its interest rate on set dates shall be deemed to be payable or redeemable for purposes of this paragraph on the date on which the principal amount can be recovered through demand by the holder thereof.

(b) Such obligations, shall be registered or inscribed in the name of the District and shall be purchased through, delivered to and held in the custody of the Escrow Agent. Such obligations shall be purchased, sold or presented for redemption or payment by such Escrow Agent in obligations only in accordance with prior written authorization from an Authorized Officer. All such transactions shall be confirmed in writing to the District by the Escrow Agent.

2. All investments described above shall be made and ownership recorded in accordance with all applicable requirements of Section 10 and Section 11 of the General Municipal Law, including the required collateralization of escrow funds.

3. The Escrow Agent will expressly acknowledge that the Lessee is not authorized to invest in mutual funds registered with the Securities Act of 1933, as amended and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, including no-load money market mutual funds limited to investments in obligations of or guaranteed by the United States of America or in 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, or any similar mutual fund or other money market or liquid deposit investment vehicles.

4. Monies and investments in the Escrow Fund shall not be subject to levy, attachment or lien by or for the benefit of the Escrow Agent, or any creditor thereof.

Excess Proceeds: In the event that there are excess proceeds available in the Project Fund at the end of the construction period, proceeds shall be transferred by the Escrow Agent to the Lessor and applied to the next succeeding lease payment and each lease payment thereafter until fully utilized. Such use of funds will not constitute lease prepayment and will not be subject to administrative or any other fees or charges.

UCC Filing: The District will not provide a legal description for each District property in connection with this financing. In the event the winning proposer requires this information for the purposes of making a fixture filing pursuant to the applicable provisions of the Uniform Commercial Code, the winning proposer shall obtain such information at its own effort and expense.

Warranties: All manufacturers' warranties, expressed or implied with respect to the Equipment acquired shall be assigned by the Lessor to the District.

Annual Appropriation: The District's obligation to make lease payments is subject to appropriation each year by the Board of Education of the District.

Non-Funding/Executory Clause: Pursuant to the General Municipal Law §109-b, and the Energy Law §9-103, the Lease-Purchase Agreement shall contain an executory clause which shall state that should payments not be appropriated by the District in any fiscal year; the District will not be obligated to pay the amounts due beyond the end of the last funded fiscal year and no liability on account thereof shall be incurred by the District beyond the amount of such monies. The financing contract is not a general obligation of the District. Neither the faith and credit nor the taxing powers of the District are pledged to the payment of any amount due or to become due under the financing contract. In the case of a failure to appropriate, the sole security under the Lease shall be the Equipment. Prior to the sale or seizure of such equipment, the District shall be provided adequate written notice, no less than ninety (90) days, to cure any default. Should such a sale or seizure take place there shall be no disruption to the District's operation to the extent possible. Any such sale or seizure must be conducted in conformity with all applicable laws, including the New York Uniform Commercial Code.

Financing Documents: Upon submission of the proposal and following notification of the award, the prospective Lessor must provide the District with a draft of its proposed financing documents, which will incorporate proposed terms and append sample documents provided with submission. Proposed financing documents and notification of credit approval for the transaction will be due no later than **August 11, 2026**. All financing documents are subject to modification by District counsel. Closing is subject to successful negotiation and approval of all documents by counsel to the District, and the District shall have no liability or obligation if closing does not occur due to failure to reach agreement on documentation or obtain necessary approvals. The District reserves the right to rescind any award due to failure of successful negotiation of the parties to agree to the terms and conditions thereof and to recover its costs in connection therewith. Closing is subject to final approval by the District Board of Education by resolution. Unless otherwise provided by a duly adopted Resolution of the Board of Education, the prospective Lessor is advised that the President of the Board of Education is the sole authorized representative of the District for the purpose of signing financing documents.

Lease Termination: Upon termination of a Lease through exercise of Lessee's option to prepay or through payment by Lessee of all Rental Payments and other amounts due with respect to such particular Equipment, Lessor's security interest in such Equipment shall terminate, and Lessor shall execute and deliver to Lessee such documents as Lessee may reasonably request to evidence the termination of Lessor's security interest in such Equipment.

Tax Status: The Lease shall qualify as a tax-exempt lease financing, that is, the interest component of the Lease will be exempt from Federal, New York State and, where applicable, New York City taxation. The Lease-Purchase Agreement will not be designated as "a qualified tax-exempt obligation" pursuant to Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code"). The District will not defend or hold the Lessor harmless from any adverse changes in the tax status of the transaction, after tax yield or cash flows resulting from changes in the Federal or State tax codes or regulations.

Credit Rating: Moody's Investors Service has assigned a rating of "Aa3" to the outstanding bonds of the District.

Binding Authority: Each Proposal must be signed by an individual who is legally authorized to contractually bind the proposing firm.

Purchase Price and Certificate: The Lessor must submit to the District a certificate (the “Issue Price Certificate”), satisfactory to the District’s Bond Counsel, prior to the delivery of the Agreement, assuming the Lessor does not reoffer the Agreement to the general public, which states that the Lessor has purchased the Agreement for its own account and not with a view to distribution or resale and not in the capacity of a bond house, broker or other intermediary, and the price or prices at which such purchase was made, in such form and including such additional information as the District and its Bond Counsel shall reasonably require.

Financial Information: The audited financial statements for the FYE June 30, 2021 through and including June 30, 2025 and the Energy Performance Contract may be found on Munistat’s website: www.munistat.com.

Evaluation Process

During the evaluation process, the District reserves the right, where it may serve the District’s best interest, to request additional information or clarifications from proposers, or to allow corrections of error or omissions.

Amendments to RFP

Any verbal information obtained from or statements made by the representative of the District or its designee at the time of examination of the documents or site shall not be construed as, in any way, amending RFP documents or binding upon the District. Only such corrections or addenda that are issued in writing to all proposers shall become a part of the RFP. Any addendum issued during RFP process shall be included in the RFP response and become a part of any subsequent contract agreement.

Legal Requirements

The Lease is required to conform to the laws of the State of New York, including, but not limited to, General Municipal Law, Local Finance Law, Education Law, Energy Law and regulations promulgated by the Commissioner of Education and the Office of the State Comptroller.

Submission Requirements

In addition to submitting a completed Proposal Response Form as attached hereto, each proposing firm must include:

1. Examples of its prior experience with three (3) similar size lease financings for school districts in New York State;
2. Three references from jurisdictions that your firm has provided lease financing to in the past year in New York State; and
3. Any other information that would favor the use of your financial institution by the District.

Proposals are due by 4:00 p.m. on August 11, 2026 by e-mail to:

Tom Cartwright, Vice President
Munistat Services, Inc
12 Roosevelt Avenue
Port Jefferson Station, NY 11776
Tel: (631) 331-8888
tcartwright@munistat.com

With a copy to:

Patchogue-Medford UFSD
Attn: Superintendent of Schools
241 South Ocean Avenue
Patchogue, NY 11772

Questions regarding this RFP may be directed to Tom Cartwright.

Basis of Award

The District reserves the right, in its sole discretion, to reject any and all proposals, or any part thereof, received in response to this Request for Proposals, to re-solicit for new proposals, to waive formalities, to request additional information from any proposer, and to award and negotiate the terms of the contract with any proposer. The District intends to select the firm whose proposal is most advantageous to the District and meets the District’s needs or this lease-purchase agreement, and not necessarily the firm with the lowest cost proposal. In determining which proposal is most advantageous and in the District’s best interests, the District will evaluate, among other things, the overall financing cost (inclusive of any interest and fees) to the District, optional redemption provisions, responsiveness of each proposal to the terms of this RFP and applicable law, the terms and conditions of the

proposed agreement, and experience and reputation of the proposer in the State of New York. The District shall not have any liability to any proposer for any costs, expenses, losses or damages of any nature incurred in connection with preparing and submitting a response to this request for proposals.

All proposals shall be signed by an individual legally authorized to bind the proposing firm and the signer's name shall also be typed or printed to or under the signature together with his/her title or designation.

The Proposal must state that the interest rate and other terms cited in the proposal will be good through September 2, 2026. The Lease shall not become effective until the delivery of funds.

Following receipt of the completed proposals, tentative notification may be made to the prospective Lessor whose response best meets the District's needs, in the District's sole discretion and otherwise appears to meet the basis for award. It is expected that a formal award will be made by the Board of Education at a meeting date to be held on August 24, 2026, subject to and contingent upon final review of the Lease Purchase Agreement and all financing documents by the District's legal counsels. Note that the prospective Lessor must provide the District with a draft of its proposed financing documents, together with notification of credit approval in order for District officials to accept and grant final approval.

Tax Opinion

The successful proposer will be furnished without cost with the opinion as to tax exemption of the law firm of Hawkins Delafield & Wood LLP ("Bond Counsel"). The opinion of Bond Counsel shall contain statements to the effect that, in the opinion of said law firm, under existing statutes and court decision and assuming continuing compliance with certain tax certifications described in the Tax Certificate of the District, (i) the portion of the rental payment designated as and constituting interest paid by the District and received by successful proposer during the term of the lease is excluded from successful proposer's gross income for federal income tax purposes under Section 103 of the Code; and (ii) such interest component is not treated as a preference item in calculating the alternative minimum tax under the Code; however, such interest component 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 Tax Certificate of the District, which will be delivered concurrently with the delivery of the lease will contain provisions and procedures relating to compliance with applicable requirements of the Code.

Opinion of School Attorney

At closing, the District shall furnish a validity opinion of Guercio & Guercio ("School Attorney"), dated the closing date, including a statement to the effect that there is no controversy or litigation of any nature pending or threatened to restrain or enjoin the execution or delivery of the installment financing agreement, to the best of the School Attorney's knowledge and based on representations made by the District.

Summary of Estimated Dates

RFP sent to providers:	July 27, 2026
Proposal Due:	August 11, 2026 (by 5:00 p.m.)
Selected Lessor Tentatively Approved:	August 12, 2026*
Board of Education Meeting to Authorize:	August 24, 2026
Closing of Lease:	September 2, 2026

*Subject to formal award by Trustees of the Board of Education at the meeting on August 24, 2026. The District reserves the right to modify these dates.

Thank you for your interest in the Patchogue-Medford Union Free School District.

END OF RFP

PROPOSAL RESPONSE FORM

August 11, 2026

Ladies and Gentlemen:

In response to Patchogue-Medford Union Free School District's (the "District") Request for Proposals ("RFP"), the undersigned, an authorized representative of _____ commits said firm to enter into a Lease-Purchase Agreement to provide the required refinancing of the project cost including equipment provided to the District by Johnson Controls, Inc. under an Energy Performance Contract. We understand that this Lease-Purchase Agreement is subject to the approval of the District's Board of Education. The submission of this Response Form indicates that we have read the District's RFP and are fully informed as to the extent and character of this request and we can satisfactorily comply with all specifications of the RFP.

We understand the District will repay our loan in periodic installments, including interest and all financing costs. We understand the lease-purchase shall be funded following the approval of the District's Board of Education.

Our proposal, the terms of which are good through and including September 2, 2026, is as follows:

The principal amount of the lease will be: \$30,010,943

Lease Maturity will be: September 1, 2041

The interest rate on this loan will be: %

The index used to establish this interest rate is: _____

The margin added to the index to establish this interest rate is: _____

Prepayment Terms: _____

Lease payments will be payable on: _____

Other required fees, if any (please explain): \$ _____

Proposing Firm: _____

Contact: _____

Address: _____

Tel.: _____

E-mail: _____

Proposer Attachments: Sample Lease and Escrow Documents

APPENDIX A

FINANCIAL INFORMATION

Comparative Balance Sheet
General Fund

	Fiscal Year Ending June 30:		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
Assets:			
Cash	\$ 37,917,586	\$ 45,065,490	\$ 47,833,518
State and Federal Receivables	5,054,379	5,308,724	5,598,793
Due From Other Governments	802,013	248,597	287,007
Due From Other Funds	13,000,459	5,269,928	6,556,565
Accounts Receivable	60,369	16,738	3,088
Leases Receivable		94,360	52,461
Total Assets	\$ 56,834,806	\$ 56,003,837	\$ 60,331,432
Liabilities & Deferred Revenue:			
Accounts Payable	\$ 1,782,556	\$ 3,418,746	\$ 2,907,431
Accrued Liabilities	1,720,046	2,621,311	3,251,760
Due to Other Governments	5,258,082	3,378,808	3,186,137
Due to Other Funds	13,644,279	113	
Due to Teachers Retirement System	10,075,048	10,281,215	11,173,503
Due to Employees' Retirement Systems	503,049	629,188	722,920
Compensated Absences Payable	417,384	603,359	816,803
Collections in Advance	168,420	136,608	80,061
Deferred Revenue	25,072	119,432	79,680
Total Liabilities & Deferred Revenue	33,593,936	21,188,780	22,218,295
Fund Balances:			
Restricted	17,357,419	23,135,168	26,606,994
Assigned	215,922	2,095,297	1,921,734
Unassigned	5,667,529	9,584,592	9,584,409
Total Fund Balances	23,240,870	34,815,057	38,113,137
Total Liabilities and Fund Balances	\$ 56,834,806	\$ 56,003,837	\$ 60,331,432

Source: Audited Financial Statements (2023-2025).

NOTE: This table is NOT audited.

Statement of Revenues, Expenditures and Fund Balances
General Fund

Fiscal Year Ending June 30:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues:					
Real Property Taxes	\$ 104,784,052	\$ 108,093,902	\$ 112,734,719	\$ 118,405,588	\$ 122,422,488
Other Real Property Tax Items	11,614,974	11,640,839	11,628,017	10,433,574	10,055,984
Charges for Services	930,038	1,473,101	1,405,774	1,756,825	1,555,623
Use of Money and Property	94,922	90,407	863,949	2,279,177	2,636,262
Sale of Property and Compensation for Loss	418,458	188,566	368,344	285,405	143,578
Miscellaneous	1,817,984	1,586,310	1,346,317	1,738,668	1,668,385
State Sources	70,256,939	74,557,557	81,524,081	97,374,554	97,075,434
Federal Sources	1,384,441	319,755	315,082	243,101	299,086
Total Revenues	<u>191,301,808</u>	<u>197,950,437</u>	<u>210,186,283</u>	<u>232,516,892</u>	<u>235,856,840</u>
Expenditures:					
General Support	19,493,732	20,956,592	22,157,479	22,477,049	24,536,102
Instruction	102,319,123	101,470,524	107,673,705	116,633,986	121,189,513
Pupil Transportation	8,247,408	8,148,242	9,360,525	9,399,411	10,059,127
Community Services	1,818,773	1,997,531	2,142,386	1,905,439	2,203,306
Employee Benefits	45,473,496	47,760,682	52,457,545	57,158,719	60,989,558
Debt Service	106,876	84,937	1,264,205	1,661,217	1,569,957
Total Expenditures	<u>177,459,408</u>	<u>180,418,508</u>	<u>195,055,845</u>	<u>209,235,821</u>	<u>220,547,563</u>
Excess (Deficit) of Revenues Over Expenditures	<u>13,842,400</u>	<u>17,531,929</u>	<u>15,130,438</u>	<u>23,281,071</u>	<u>15,309,277</u>
Other Financing Sources (Uses)					
Premium on Obligations			357,240	278,300	290,400
Interfund Transfers In		243,455	791,460	211,989	
Interfund Transfers Out	<u>(11,546,275)</u>	<u>(11,766,930)</u>	<u>(25,919,777)</u>	<u>(12,197,173)</u>	<u>(12,301,597)</u>
Total Other Financing Sources (Uses)	<u>(11,546,275)</u>	<u>(11,523,475)</u>	<u>(24,771,077)</u>	<u>(11,706,884)</u>	<u>(12,011,197)</u>
Excess (Deficit) of Revenues and Other Sources over Expenditures and Other Uses	<u>2,296,125</u>	<u>6,008,454</u>	<u>(9,640,639)</u>	<u>11,574,187</u>	<u>3,298,080</u>
Fund Balances - Beginning of Year	<u>24,576,930</u>	<u>26,873,055</u>	<u>32,881,509</u>	<u>23,240,870</u>	<u>34,815,057</u>
Adjustments					
Fund Balances - End of Year	<u>\$ 26,873,055</u>	<u>\$ 32,881,509</u>	<u>\$ 23,240,870</u>	<u>\$ 34,815,057</u>	<u>\$ 38,113,137</u>

Source: Audited Financial Statements (2021-2025).

NOTE: This table is NOT audited.

Budget Summaries
General Fund

	Fiscal Year Ending June 30:	
	<u>2024-2025^b</u>	<u>2025-2026^b</u>
Revenues:		
Real Property Taxes (Includes PILOT)	\$ 131,318,680	\$ 134,593,643
State Aid	99,522,097	99,522,097
Miscellaneous	7,325,897	8,331,074
Appropriated Fund Balance	<u>3,177,048</u>	<u>2,825,302</u>
 Total Revenues	 \$ <u><u>241,343,722</u></u>	 \$ <u><u>245,272,116</u></u>
Expenditures:		
General Support	\$ 24,263,392	\$ 25,683,528
Instruction	127,536,541	128,186,045
Pupil Transportation	10,536,401	11,670,793
Community Services	2,329,772	2,396,465
Employee Benefits	62,616,366	62,733,972
Interfund Transfers	12,336,250	12,876,313
Debt Service	<u>1,725,000</u>	<u>1,725,000</u>
 Total Expenditures	 \$ <u><u>241,343,722</u></u>	 \$ <u><u>245,272,116</u></u>

a. The 2024-25 budget was approved by the voters of the District on May 21, 2024.

b. The 2025-26 budget was approved by the voters of the District on May 20, 2025.

Source: Adopted Budgets of the District.