

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 5, 2026

NEW ISSUE

TAX ANTICIPATION NOTES

In the opinion of Norton Rose Fulbright US LLP, New York, New York, Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Notes will be excludable from gross income for federal income tax purposes under existing law, and interest on the Notes will not be subject to the alternative minimum tax on individuals. In the further opinion of Bond Counsel, under existing law interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "TAX MATTERS" herein for a description of the opinion of Bond Counsel and certain other tax consequences.

*The Notes will **NOT** be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986 (the "Code").*

MOUNT SINAI UNION FREE SCHOOL DISTRICT SUFFOLK COUNTY, NEW YORK (the "District")

\$17,100,000*

TAX ANTICIPATION NOTES, 2026 (the "Notes")

Dated Date: August 26, 2026

Maturity Date: June 24, 2027

Security and Sources of Payment: The Notes will constitute general obligations of the District and will contain a pledge of its faith and credit for the punctual payment of the principal of and interest on the Notes, and all the taxable real property within the District will be subject to the levy of ad valorem taxes, without limitation as to rate or amount, for such purpose, subject to statutory limitations imposed by Chapter 97 of the Laws of 2011. See "Tax Levy Limit Law" herein.

Prior Redemption: The Notes are not subject to redemption prior to their maturity.

At the option of the purchaser(s), the Notes may be either registered to the purchaser(s) or registered in the name of Cede & Co., as nominee for the Depository Trust Company, New York, New York ("DTC"), as book-entry notes.

Form and Denomination: For those Notes registered to the purchaser(s), a single note certificate shall be delivered to the purchaser(s), and each such note certificate shall bear a single rate of interest and shall be in a denomination equal to the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in lawful money of the United States of America (Federal Funds) at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. The Notes to be issued in book-entry form will be issued as registered notes, and, when issued, will be registered in the name of Cede & Co. as nominee of DTC, which will act as the Securities Depository for the Notes. 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. Individual purchases of the Notes to be issued in book-entry form may be made only in book-entry form in denominations of \$5,000 or integral multiples thereof. Noteholders will not receive certificates representing their ownership interest in the Notes to be issued in book-entry form purchased. See "Book-Entry System" herein.

Payment: Payment of the principal of and interest on the Notes to be issued in book-entry form will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name." Payment 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 System" herein. Payment of the principal of and interest on the Notes issued in the form registered to the Purchaser(s) will be payable at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. The District will act as Paying Agent for the Notes.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the legal opinion as to the validity of the Notes of Norton Rose Fulbright US LLP, New York, New York, Bond Counsel, and certain other conditions. It is anticipated that the Notes will be available for delivery in New York, New York, or at such place as may be agreed upon with the purchaser(s) on or about August 26, 2026.

THE DISTRICT DEEMS THIS PRELIMINARY OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S) AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN EVENTS AS DEFINED IN THE RULE. (SEE APPENDIX C HEREIN).

Dated: August , 2026

* Preliminary, subject to change.

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.



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SUFFOLK COUNTY, NEW YORK**

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* * *

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* * *

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No person has been authorized by the District to give any information or to make any representations not contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates 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

Relating to

MOUNT SINAI UNION FREE SCHOOL DISTRICT SUFFOLK COUNTY, NEW YORK

\$17,100,000*

TAX ANTICIPATION NOTES, 2026

THE NOTES

General

The \$17,100,000* Tax Anticipation Notes, 2026 (the “Notes”) will be general obligations of the Mount Sinai Union Free School District, Suffolk County, New York (the “District”), and will contain a pledge of the District’s faith and credit for the payment of the principal thereof and interest thereon as required by the Constitution and laws of the State of New York (the “State”) (State Constitution, Article VIII, Section 2; Local Finance Law, Section 100.00). The Notes will be dated August 26, 2026 and will mature, without the right of redemption prior to maturity, on June 24, 2027, with interest payable at maturity.

At the option of the purchaser(s), the Notes may be either registered to the purchaser(s) or registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”) as book-entry notes.

For those Notes registered to the purchaser(s), a single note certificate shall be delivered to the purchaser(s), and each such note certificate shall bear a single rate of interest and shall be in a denomination equal to the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on such Notes will be payable in lawful money of the United States of America (Federal Funds) at such bank or trust company located and authorized to do business in the State as may be selected by the successful bidder.

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

The District will act as Fiscal and Paying Agent for the Notes. Paying agent fees, if any, will be paid by the purchaser(s). The District’s contact information is as follows: Dr. Peter Branscombe, Deputy Superintendent, Mount Sinai Union Free School District, PO Box 397, North Country Road, Mount Sinai, NY 11766, telephone number (631) 870-2554 , FAX (631) 473-0905 e-mail: pbranscombe@mtsinai.k12.ny.us.

Book-entry-only System

In the event that the Notes are issued in book-entry form, DTC will act as securities depository for the Notes and the Notes will be issued as fully-registered notes registered in the name of Cede & Co., DTC's partnership nominee or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each Note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need

* Preliminary, subject to change

for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

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

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

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

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

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

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

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

Certificated Notes

DTC may discontinue providing its services with respect to 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 system transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply:

The Notes will be issued in bearer form in denominations of \$5,000 or integral multiples thereof. Principal of and interest on the Notes when due will be payable at the office of the District Clerk, as fiscal and paying agent for the Notes, or, at the option of the District, at a bank or trust company designated by the District for this purpose. The Notes are not subject to redemption prior to their stated final maturity date.

Disclosure Undertaking

In accordance with the requirements of Rule 15c2-12 as the same may be amended or officially interpreted from time to time (the “Rule”) promulgated by the Securities and Exchange Commission (the “Commission”), the District has agreed to provide, at the time of delivery of the Notes, an executed Disclosure Undertaking in substantially the form attached as Appendix C.

Pursuant to Undertakings previously entered into by the District, the District is required to file financial information and operating data within six months of the end of each fiscal year along with audited financial statements, when available.

The following table sets forth the annual filings for each of the five preceding fiscal years.

<u>Fiscal Year Ending June 30:</u>	<u>Financial & Operating Information</u>	<u>Audited Financial Statements</u>
2021	12/13/2021	11/17/2021
2022	12/21/2022	11/10/2022
2023	12/21/2023	12/04/2023
2024	12/23/2024	10/24/2024
2025	12/05/2025	11/10/2025

Other than as noted above, the District has complied with all previous Undertakings in all material respects pursuant to the Rule.

Authorization and Purpose

The Notes are being issued in anticipation of the collection of real property taxes receivable by the District during its 2026-2027 fiscal year, commencing on July 1, 2026, and pursuant to a tax anticipation note resolution adopted by the Board of Education on May 12, 2026. The Notes are being issued to provide monies to meet a cash flow deficit expected to occur during the period that the Notes are outstanding. (See “Cash Flow Summary” herein). Such cash flow deficit is the result of a delay in the receipt of real property taxes, as a result of the fact that the dates fixed by law for the collection of such taxes do not conform to the expected cash needs of the District’s operating budget.

Security and Source of Payment

The Notes are general obligations of the District and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount, subject to statutory limitations imposed by Chapter 97 of the Laws of 2011.

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 2026-2027 real property taxes equals the amount of such real property taxes remaining uncollected, the District is required to set aside in a special bank account all of such uncollected taxes as thereafter received, 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.

For a description of prior issues of Tax Anticipation Notes and of projected issues of obligations for capital and operating purposes of the District, see “Details of Short-Term Indebtedness,” “Tax Anticipation Notes” and “Authorized but Unissued Debt” herein.

Remedies Upon Default

In the event of a default in the payment of the principal of and/or interest on the Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, State aid and assistance to the District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Notes.

Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the District upon any judgments or accrued claims against it shall not exceed nine per centum per annum. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of or interest on the Notes.

In accordance with the general rule with respect to municipalities, judgments against the District may not be enforced by levy and execution against property owned by the District.

The Federal Bankruptcy Code allows public bodies recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While these provisions do not apply to school districts there can be no assurance that they will not be made so applicable in the future.

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

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 obligations of the municipality during the emergency period, is subject to doubt. These provisions do not apply to school districts, but there can be no assurance that they will not be made applicable in the future. In any event, no such emergency has been declared with respect to the District.

THE DISTRICT

Description

The District, with a currently estimated population of 11,074, is located on the north shore of Long Island adjacent to Port Jefferson and is approximately 65 miles east of New York City. The District covers an area of approximately six square miles.

Largely suburban-rural in character, the District contains the Mount Sinai Harbor, affording facilities for boating and fishing. Several Brookhaven Township beaches are nearby, including Cedar Beach with extensive frontage of Long Island Sound.

Shopping and commercial activity is located mainly along Route 25A, with more extensive commercial activity in Port Jefferson and nearby shopping centers.

Farming remains as an important industry with the major crops of peaches and nursery stock.

Typical residential construction in the District is in the \$350,000-\$750,000 class. Zoning regulations are mostly one acre residential minimum.

The main highways serving the District are New York State Route 25A (east-west) and Patchogue-Mount Sinai Road (north-south). Rail transportation to western points is available through the Port Jefferson Branch of the Long Island Rail Road.

Police protection is provided by the County of Suffolk. Gas and electricity are provided by PSEG Long Island and National Grid, respectively. Fire protection is provided by the Mount Sinai Fire District. Water service is provided by the Suffolk County Water Authority.

District Organization

The Board of Education (the “Board”), which is the policy-making body of the District, consists of seven members with overlapping three-year terms so that as nearly as possible an equal number of members 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 and who are appointed by the Board, include the Superintendent of Schools, the Business Administrator, the School District Clerk and the District Treasurer.

Enrollment History

<u>School Year</u>	<u>School Enrollment</u>
2021-2022	2,166
2022-2023	2,080
2023-2024	2,021
2024-2025	2,013
2025-2026	1,931

Current and Estimated Future Public School Enrollment

<u>School Year</u>	<u>School Enrollment</u>
2026-2027	1,899
2027-2028	1,885

District Facilities

<u>Name of School</u>	<u>Grades</u>	<u>Date of Construction</u>	<u>Capacity</u>
Mount Sinai Elementary School	K-4	1964	1,147
Mount Sinai Middle School	5-8	1979	1,000
Mount Sinai High School	9-12	1991	1,000

Employees

Some employees are represented by organized labor as follows:

Name of Union	Expiration Date of Contract	Approx. No. of Members
Mount Sinai Teachers' Association	06/30/2028	189
Civil Service Employees Association	06/30/2026 ^a	148
Mount Sinai Administrators' Association	06/30/2025 ^a	18

^a: Expired, currently in negotiations.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population Trends

The following table sets forth population statistics for the District, the Town of Brookhaven and Suffolk County.

Year	District	Town of Brookhaven	Suffolk County
2000	12,095	448,248	1,419,369
2010	12,267	486,773	1,493,350
2020	12,137	482,671	1,481,364
2024	11,074	492,778	1,535,909

Income Data

	Per Capita Income			
	2000	2010	2020	2024 ^a
Town of Brookhaven	\$24,191	\$32,663	\$42,388	\$48,863
Suffolk County	26,577	35,755	46,466	55,754
New York State	23,389	30,948	40,898	51,002

	Median Household Income			
	2000	2010	2020	2024 ^a
Town of Brookhaven	-	\$81,654	\$100,061	\$115,085
Suffolk County	\$62,475	72,112	105,362	126,863
New York State	51,691	67,405	71,117	85,820

Source: United States Bureau of the Census.

^a: Based on American Community Survey Five-Year Estimates (2020-2024).

Selected Listing of Larger Employers in Town of Brookhaven
(As of 2026)

Name	Type of Business	Estimated Number of Employees
State University at Stony Brook	Education	13,000
Stony Brook University Medical Center	Medical Center	7,650
Brookhaven National Laboratory	Laboratory	3,350
John T. Mather Hospital	Hospital	2,500
Sachem Union Free School District	Education	1,900
Zebra Technologies	Commercial	1,800
St. Charles Hospital	Hospital	1,800
Brookhaven Memorial Hospital	Hospital	1,700
Three Village Central School District	Education	1,600
William Floyd Union Free School District	Education	1,440
Amneal Pharmaceuticals	Commercial	900

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 “Town”). The information set forth below with respect to such Town, County and State is included for information purposes only. It should not be inferred from the inclusion of such data in this Official Statement that the District is necessarily representative of the Town, County and State or vice versa.

Annual Averages:	Town of Brookhaven (%)	Suffolk County (%)	New York State (%)
2021	4.5	4.6	6.9
2022	3.0	3.1	4.4
2023	3.1	3.2	4.2
2024	3.5	3.5	4.3
2025	3.6	3.5	4.2
2026 (YTD)	4.3	4.2	4.8

Source: New York State Department of Labor.

INDEBTEDNESS OF THE DISTRICT

Constitutional and Statutory Requirements

The State Constitution limits the power of the District (as well as other municipalities and school districts of the State) to issue obligations and contract indebtedness. Such constitutional limitations include the following, in summary form, and are generally applicable to the District 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), 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 expiration of the period of probable usefulness of the object or purpose as determined by statute; 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 payment of principal of its serial bonds and bond anticipation 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, assessment, borrowing money, contracting indebtedness and loaning the credit of the District so as to prevent abuses in the exercise of such powers; however, as has been noted under "Security and Source of Payment", 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. However, the Tax Levy Limit Law imposes a statutory limitation on the District's power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limit Law. See "Tax Levy Limit Law," herein.

Statutory Procedure

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

Pursuant to the Local Finance Law, the District authorizes the issuance of bonds by the adoption of a bond resolution approved by at least two-thirds of the members of the Board, the finance board of the District. Customarily, the Board has delegated to the President of the Board, as chief fiscal officer of the District, the power to authorize and sell bonds and bond anticipation notes in anticipation of the sale of authorized bonds.

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

- (1) such obligations are authorized for a purpose for which the District is not authorized to expend money, or
- (2) there has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations

and an action contesting such validity is commenced within twenty days after the date of such publication, or,
- (3) such obligations are authorized in violation of the provisions of the State Constitution.

Except on rare occasions the District complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but is not an absolute legal requirement.

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

The Board, as the finance board of the District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the President of the Board, the chief fiscal officer of the District, pursuant to the Local Finance Law.

Statutory law in New York permits bond anticipation notes to be renewed each year, provided that annual principal installments are made in reduction of the total amount of such notes outstanding. These installments must commence no later than two years from the date of the first issuance of such notes, and such renewals may not extend more than five years beyond the original date of borrowing. See “Payment and Maturity” under “Constitutional Requirements” herein.

The Local Finance Law also contains provisions granting the District power to issue certain other short-term general obligation indebtedness, including revenue and tax anticipation notes and budget notes. See “Indebtedness of the District” herein.

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 and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in the Tax Levy Limit Law. See “Tax Levy Limit Law” herein.

The following pages set forth certain details with respect to the indebtedness of the District.

Computation of Debt Limit and Calculation of Total Net Indebtedness
(As of August 5, 2026)

In Town of: (2025-2026)	Assessed Valuation	State Equalization Rate (%)	Full Valuation
Brookhaven ^a	\$15,615,083	0.48	\$3,253,142,292
Debt Limit - 10% of Average Full Valuation			325,314,229
Inclusions: ^b			
Outstanding Bonds			\$300,000
Bond Anticipation Notes			10,100,000
Total Indebtedness			\$10,400,000
Exclusions (Estimated Building Aid) ^c			8,122,400
Total Net Indebtedness			2,277,600
Net Debt Contracting Margin			\$323,036,629
Percent of Debt Contracting Margin Exhausted			0.70%

a. The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the statutory debt limit of the District.

b. 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.

Details of Short-Term Indebtedness Outstanding

As of the date of this Official Statement, the District has bond anticipation notes outstanding in the amount of \$10,100,000 that mature on June 30, 2027.

Debt Service Requirements - Outstanding Bonds^a

Fiscal Year Ending June 30:	Principal	Interest	Total
2027	\$75,000	\$7,313	\$82,313
2028	75,000	5,625	80,625
2029	75,000	3,844	78,844
2030	75,000	1,969	76,969
Totals	<u>\$300,000</u>	<u>\$18,750</u>	<u>\$318,750</u>

a. Does not reflect payments made to date.

Installment Purchase Debt^a

Fiscal Year Ending June 30:	Outstanding at June 30, 2025
Energy Performance Contract	\$1,025,998
Vehicle Loan	<u>22,611</u>
Totals	<u>\$1,048,609</u>

a. Does not include payments made to date.

Debt Service Requirements – Energy Performance Contract^a

Fiscal Year Ending June 30:	Principal	Interest	Total
2027	\$519,687	\$391,231	\$910,918
2028	535,612	375,306	910,918
2029	556,705	354,213	910,918
2030	578,628	332,290	910,918
2031	601,415	309,503	910,918
2032	625,099	285,819	910,918
2033	649,715	261,203	910,918
2034	675,301	235,617	910,918
2035	701,895	209,023	910,918
2036	729,535	181,383	910,918
2037	758,264	152,654	910,918
2038	788,125	122,793	910,918
2039	819,161	91,757	910,918
2040	851,420	59,498	910,918
2041	884,950	25,968	910,918
Totals:	<u>\$10,275,512</u>	<u>\$3,388,258</u>	<u>\$13,663,770</u>

Trend of District Indebtedness

	2022	2023	2024	2025	2026
Bonds	\$1,670,000	\$1,080,000	\$460,000	\$380,000	\$300,000
BANs	-	-	-	-	10100000
Other	-	-	-	-	-
Total	<u>\$1,670,000</u>	<u>\$1,080,000</u>	<u>\$460,000</u>	<u>\$380,000</u>	<u>\$10,400,000</u>

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
2022	\$11,900,000	07/15/2021	06/24/2022
2023	13,200,000	07/20/2022	06/27/2023
2024	11,300,000	07/20/2023	06/27/2024
2025	14,750,000	07/24/2024	06/25/2025
2026	16,900,000	07/10/2025	06/25/2026

Authorized but Unissued Debt

The District has authorized but unissued debt in the amount of \$7,793,200 for various capital projects.

Calculation of Estimated Overlapping and Underlying Indebtedness

Overlapping Units	Date of Report	Percentage Applicable (%)	Applicable Total Indebtedness	Applicable Net Indebtedness
County of Suffolk	10/14/2025	4.94	\$57,535,932	\$51,064,817
Town of Brookhaven	06/26/2026	3.33	12,164,157	11,476,845
Mount Sinai Fire District	12/31/2024	99.00	<u>1,427,303</u>	<u>1,427,303</u>
Totals			<u>\$71,127,392</u>	<u>\$63,968,965</u>

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 August 5, 2026)

	<u>Amount</u>	<u>Per Capita^a</u>	<u>Percentage of Full Value (%)^b</u>
Total Direct Debt	\$10,400,000	\$939	0.320
Net Direct Debt	2,277,600	206	0.070
Total Direct & Applicable Total Overlapping Debt	81,527,392	7,362	2.506
Net Direct & Applicable Net Overlapping Debt	66,246,565	5,982	2.036

a. The current estimated population of the District is 11,074.

b. The full valuation of taxable real property in the District for 2025-26 is \$3,253,142,292.

FINANCES OF THE DISTRICT

The historical revenue and tax information set forth in this Official Statement may not be indicative of future results. See “Market Matters Affecting Financings of the Municipalities and School Districts of the State” 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, 2025. A copy of such report is included herein as Appendix E.

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 transactions, 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 19, 2026, a majority of the voters of the District approved the District's budget for the 2026-2027 fiscal year. Summaries of the District's Adopted Budgets for the fiscal years 2025-2026 and 2026-2027 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 in the form 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. State aid is a substantial percentage of the revenues of the District. 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 District can be paid only if the State has such monies available for such payment.

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 State's 2021-22 Enacted Budget and the State's 2022-23 Enacted Budget included 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, severe weather events and other disasters. Many of the policies that drive 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 an a materially adverse impact on the State budget. To date, school districts have received significant funding because of the COVID-19 pandemic from federal stimulus packages and reinstatement of State Foundation Aid, however, the additional federal funding is ceased after the 2023-24 fiscal year.

As part of the 2025–26 Enacted State Budget, the Governor and Legislature made targeted adjustments to the Foundation Aid formula. While the formula itself remains largely intact, the budget includes a *hold harmless* provision ensuring that no district receives less Foundation Aid than in the prior year. Additionally, all districts are guaranteed at least a 2% year-over-year increase in Foundation Aid.

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 the adoption of the State budget, which is due at the start of the State's fiscal year of April 1. For the past four years, including the State's current fiscal year, which began on April 1, 2026, the State's budget has been adopted after the April 1 deadline. The budget for the State's 2026-2027 fiscal year was adopted on May 28, 2026 or fifty-seven (57) days late after a series of interim budget bills. The State's fiscal year 2025-26 Enacted Budget was adopted on May 9, 2025 or thirty-eight (38) days after the April 1 deadline. The State's fiscal year 2024-25 Enacted Budget was adopted on April 22, 2024 or twenty-one (21) days after the April 1 deadline and the State's fiscal year 2023-24 Enacted Budget was adopted on May 2, 2023 or thirty-one (31) days after the April 1 deadline. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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

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

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.

The following table sets forth the percentage of the District's General Fund revenue comprised of State aid for each of the fiscal years 2021 through 2025, and the amounts budgeted for 2026 and 2027.

<u>Fiscal Year Ending June 30:</u>	<u>General Fund Total Revenue</u>	<u>State Aid</u>	<u>State Aid to Revenues (%)</u>
2021	\$60,048,999	\$17,534,879	29.20
2022	60,925,009	18,190,549	29.86
2023	62,469,552	18,338,492	29.36
2024	65,164,616	18,723,042	28.73
2025	67,017,748	18,600,596	27.75
2026 (Budgeted) ^a	70,732,128	18,725,683	26.47
2027 (Budgeted) ^b	73,656,764	18,899,778	25.66

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

b. The District's 2026-2027 proposed budget was approved by the voters on May 19, 2026.

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 is now complete. (See also “*School District Fiscal Year (2023-2024)*” under the subheading “*State Aid History*” 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, was initiated in 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 required 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 2021, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enshrined this commitment into law. A breakdown of Foundation Aid funding is set forth 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

See also “*State Aid*” herein.

State Aid History

School district fiscal year (2021-2022): 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 at that time. This represented an increase of \$3.0 billion or 11.3 percent compared to the 2020-21 school year and included a \$1.4 billion or 7.6 percent Foundation Aid increase. Approximately 75 percent of this increase was targeted to high-need school districts.

The State's 2021-22 Enacted Budget also programmed \$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, was designed to assist public 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 allocated \$629 million of these funds to school districts as targeted grants to support efforts to address learning loss through activities such as summer enrichment and comprehensive after-school programs. In addition, the State's 2021-22 Enacted Budget used \$105 million of federal funds to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2021-22 school year.

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget provided \$31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever at that time. This represented an increase of \$2.1 billion or 7.2 percent compared to the 2021-22 school year and included a \$1.5 billion or 7.7 percent Foundation Aid increase.

The State's 2022-23 Enacted Budget also programed \$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, was designed to assist public 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 allocated \$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 increased federal funds by \$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.

School district fiscal year (2023-2024): The State's 2023-24 Enacted Budget provided \$34.5 billion in State funding to school districts for the 2023-24 school year, the highest level of State aid ever at that time. This represented an increase of \$3 billion or 9.6 percent compared to the 2022-23 school year, and included a \$2.6 billion or 12.1 percent Foundation Aid increase, which fully funded Foundation Aid for the first time in its 17-year history and ensured that each school district received a minimum year-to-year increase of 3 percent.

School district fiscal year (2024-2025): The State's 2024-25 Enacted Budget provided \$35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever. This represented an increase of \$1.3 billion compared to the 2023-24 school year and included a \$934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Enacted Budget maintains the "save harmless" provision, which ensured a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 Enacted Budget also authorized a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula. (See also "*State Aid*" herein.)

School district fiscal year (2025-2026): The State's 2025-26 Enacted Budget provides \$37.6 billion in State funding to school districts for the 2025-26 school year, the highest level of State aid ever. This represents an increase of \$1.7 billion or 4.9 percent compared to the 2024-25 school year and includes a \$1.4 billion or 5.6 percent Foundation Aid increase. The State's 2025-26 Enacted Budget includes a 2% minimum increase in Foundation Aid to all school districts and makes a number of alterations to the Foundation Aid formula designed to reflect low-income student populations and provide additional aid to low-wealth school districts.

Provisions in the State's 2025-26 Enacted Budget grant the State Budget Director the authority to withhold all or some of the amounts appropriated therein, including amounts that are to be paid on specific dates prescribed in law or regulation (such as State aid) if, on a cash basis of accounting, a "general fund imbalance" has or is expected to occur in fiscal year 2025-26. Specifically, the State's 2025-26 Enacted Budget provides that a "general fund imbalance" has occurred, and the State Budget Director's powers are activated, if any State fiscal year 2025-26 quarterly financial plan update required by Subdivision 4 of Section 23 of the New York State Finance Law reflects, or if at any point during the final quarter of State fiscal year 2025-26 the State Budget Director projects, that estimated general fund receipts and/or estimated general fund disbursements have or will vary from the estimates included in the State's 2025-26 Enacted Budget financial plan required by sections 22 and 23 of the New York State Finance Law results in a cumulative budget imbalance of \$2 billion or more. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State.

School district fiscal year (2026-2027): The State's 2026-27 Enacted Budget provides \$39 billion in school aid, reflecting a \$1.7 billion increase, and includes \$27.4 billion in Foundation Aid with a 2% minimum increase for districts. Additionally, the budget allocates a \$561 million increase for Universal Pre-Kindergarten, aiming for full-day instruction for all four-year-olds by the 2028-29 school year, following the official adoption of the \$268.1 billion budget.

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 the 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: 10.0%, Environmental Score: 0.0%). 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 performed was released August 23, 2019. The purpose of such audit was to determine whether the District officials effectively managed the fund balance, reserves, and purchasing practices, and the audit found deficiencies in all three areas that contributed to annual tax levy increases. The complete report, along with the District's response, may be found on the OSC's official website. Reference to this website implies no warranty of accuracy of information therein.

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 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, then 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 will be 1.75% for the first 20 years of service and 2% thereafter. As of April 9, 2022, Tier 5 and 6 members only need five years of service credit to be vested. This affects members of both ERS and PFRS. Previously, Tier 5 and 6 members needed ten years of service to be eligible for a service retirement benefit; the time period for calculation of final average salary is increased from three years to five years; and the amount of overtime to be used to determine an employee's pension is capped at \$15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. It also includes a voluntary, portable, defined contribution plan option for new non-union employees with salaries of \$75,000 or more.

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 permit school districts to amortize a portion of their 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 TRS and ERS required contributions for each of the last five completed fiscal years and the contributions budgeted for 2026 and 2027.

Fiscal Year Ending June 30:	TRS	ERS
2021	\$2,474,557	\$540,317
2022	2,594,825	581,668
2023	2,589,027	497,031
2024	2,598,622	654,875
2025	2,939,260	489,130
2026 (Budgeted)	2,939,260	753,000
2027 (Budgeted)	2,506,184	819,487

Source: Audited Financial Statements and Adopted Budgets for fiscal years 2026 and 2027.

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 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 costs 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 expenses/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 costs.

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 as of June 30, 2025 is as follows:

Changes in the Total OPEB Liability	Fiscal Year Ending June 30, 2025:
Balance as of June 30, 2024	\$123,688,755
Changes for the year:	
Service Cost	3,834,615
Interest	5,292,330
Changes of Benefit Terms	(7,182)
Differences Between Actual and Expected Experience	(2,513,791)
Changes in assumptions or other inputs	(11,433,933)
Benefit payments	(3,667,462)
Total Changes	(\$8,495,423)
Total OPEB liability as of June 30, 2025	\$115,193,332

At this time, the 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 its expenditures 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. Assessment valuations are determined by the Town assessor 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 aid and are used by many localities in the calculation of debt contracting and real property taxing limitations. The District is not subject to constitutional real property taxing limitations. (However, see “*Tax Levy Limit Law*” herein).

The following table sets forth real property taxes as a percentage of the District's General Fund revenue (excluding other financing sources) for each of the fiscal years 2021 through 2025 inclusive and for the 2026 and 2027 fiscal years, based upon the District's adopted or proposed budgets for each year.

<u>Fiscal Year Ending June 30:</u>	<u>Total Revenue</u>	<u>Real Property Taxes</u>	<u>Real Property Taxes to Revenues (%)</u>
2021	\$60,048,999	\$37,737,429	62.84
2022	60,925,009	38,756,222	63.61
2023	62,469,552	39,783,230	63.68
2024	65,164,616	42,152,394	64.69
2025	67,017,748	43,864,029	65.45
2026 (Budgeted) ^a	70,732,128	48,336,812	68.34
2027 (Budgeted) ^a	73,656,764	48,687,033	66.10

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

Tax Collection Procedure

Property taxes for the District, together with County, Town and fire district taxes, are collected by the Town Tax Receivers. 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 Receivers distribute 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.

Tax Levy Limit Law

Chapter 97 of the 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 and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Law. However, such exclusions do 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. School districts are reimbursed in full by the State for real property taxes exempted pursuant to the STAR program on or before the first business day of January in each year.

Approximately 5.45% of the District's 2024-2025 school tax levy was exempted by the STAR program and the District has received full reimbursement of such exempt taxes from the State. Based on information furnished to the District, approximately 5.28% of the District's 2025-2026 school tax levy is expected to be exempted by the STAR program. (See "State Aid" herein).

Valuations, Rates Levies and Collections

Fiscal Year Ending June 30:	Assessed Valuation	State Equal. Rate (%)	Full Valuation	Tax Rate Per \$1,000 Assessed Valuation	Tax Levy
2022	15,474,721	0.74	2,091,178,514	2,668.76	41,396,602
2023	15,476,597	0.62	2,496,225,323	2,777.48	45,050,855
2024	15,538,259	0.54	2,877,455,370	2,899.40	46,500,965
2025	15,570,283	0.53	2,937,789,245	2,986.50	48,336,812
2026	15,615,083	0.48	3,253,142,292	3,126.80	48,687,033

Selected Listing of Large Taxable Properties 2025-2026 Assessment Roll

Name	Type	Assessed Valuation
Long Island Power Authority	Utility	\$253,339
Sinai Properties LLC	Commercial	190,000
Crystal Brook Park Association	Community	124,488
Keyspan	Utility	55,325
PSAC Development Partners	Commercial	44,000
Club Corp Willow Creek LLC	Commercial	39,990
JAJ 25A LLC	Commercial	39,105
Aldrich Management Co LLC	Commercial	24,000
Chung Wo Properties Co.	Commercial	23,000
Mt. Sinai Commercial LLC	Commercial	22,590
Verizon, New York Inc.	Utility	20,987
Dandey Real Estate Corp.	Commercial	20,300
Raymond & Victoria Menna	Residential	15,710
Min-AI Properties Inc.	Commercial	15,200
Oakwood Family Partners, LLC.	Commercial	13,850
Total		<u>\$901,884</u>

a. Represents 5.78% of the total assessed valuation of the District for 2025-2026.
Source: Town Assessment Rolls.

LITIGATION

In common with other school districts, the District from time to time receives notices of claim and is party to litigation. In the opinion of the District attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no 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.

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

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.

On September 24, 2019, the District experienced a cyber incident as a result of a ransomware attack in which the attackers encrypted and locked data. The District engaged a data attorney to help manage the forensic analysis and implications of the findings. Based upon the District's review, no personal or financing information was breached; however, data stored on the affected server was lost but was restored by backup systems that were in place. The attack did not impact the District's financial software or banking information. The District undertook a comprehensive "wiping" of all systems and put in three additional security systems and strengthened its security design by partitioning the network to only allow necessary data between the partitions.

In addition, the District hired a prominent engineering firm to more effectively manage the District's network and technology infrastructure. The District did not pay ransom; however, it did incur approximately \$32,000 in out-of-pocket costs related to the foregoing.

MARKET MATTERS AFFECTING FINANCINGS OF THE MUNICIPALITIES AND SCHOOL DISTRICTS OF THE STATE

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

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

If and when an owner of any of the Notes should elect to sell all or a part of 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 Notes. The market value of the Notes is dependent upon the ability of a holder to potentially incur a capital loss if such 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 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 Notes, could be adversely affected.

The District is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received. The District's receipt of State aid may be delayed as a result of the State's failure to adopt its budget timely and/or to appropriate State aid to municipalities and school districts. Should the District fail to receive all or a portion of the amounts of State aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys or by a reduction in State aid or its elimination, the District is authorized pursuant to the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of such uncollected State aid, however, there can be no assurance that, in such event, the District will have market access for any such borrowing on a cost effective basis. The elimination of or any substantial reduction in State aid would likely have a materially adverse effect upon the District requiring either a counterbalancing increase in revenues from other sources to the extent available or a curtailment of expenditures. (See also "*State Aid*" under "FINANCIAL INFORMATION" 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 Notes, for income taxation purposes could have an adverse effect on the market value of 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 exclusions for debt service on obligations issued by municipalities and fire districts, may affect the market price and/or marketability for the Notes. (See “*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 Notes.

TAX MATTERS

Tax Exemption

The delivery of the Notes is subject to the opinion of Bond Counsel to the effect that interest on the Notes for federal income tax purposes (1) will be excludable from gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the “Code”), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be an item of tax preference for purposes of the alternative minimum tax on individuals. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the District made in a certificate (the “Tax Certificate”) dated the date of delivery of the Notes pertaining to the use, expenditure, and investment of the proceeds of the Notes and will assume continuing compliance by the District with the provisions of the Tax Certificate subsequent to the issuance of the Notes. The Tax Certificate contains covenants by the District with respect to, among other matters, the use of the proceeds of the Notes and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Notes are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage “profits” from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Notes to be includable in the gross income of the owners thereof from the date of the issuance.

Bond Counsel’s opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the District described above. No ruling has been sought from the IRS with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel’s opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Notes is commenced, under current procedures the IRS is likely to treat the District as the “taxpayer,” and the owners of the Notes would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Notes, the District may have different or conflicting interests from the owners of the Notes. Public awareness of any future audit of the Notes could adversely affect the value and liquidity of the Notes during the pendency of the audit, regardless of its ultimate outcome.

In the opinion of Bond Counsel, under existing law interest on the Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof (including The City of New York).

Except as described above, Bond Counsel expresses no opinion with respect to any federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Notes. Prospective purchasers of the Notes should be aware that the ownership of tax-exempt obligations such as the Notes may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust (“FASIT”), corporations subject to the alternative minimum tax on adjusted financial statement income, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Existing law may change so as to reduce or eliminate the benefit to holders of the Notes of the exclusion of interest thereon from gross income for federal income tax purposes. Proposed legislative or administrative action, whether or not taken, could also affect the value and marketability of the Notes. Prospective purchasers of the Notes should consult with their own tax advisors with respect to any proposed changes in tax law.

Tax Accounting Treatment of Discount and Premium on Certain Notes

The initial public offering price of certain Notes (the “Discount Notes”) may be less than the amount payable on such Notes at maturity. An amount equal to the difference between the initial public offering price of a Discount Note (assuming that a substantial amount of the Discount Notes of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Note. A portion of such original issue discount allocable to the holding period of such Discount Note by the initial purchaser will, upon the disposition of such Discount Note (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Notes described above under “Tax Exemption”. Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Note, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Note and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, corporations subject to the alternative minimum tax on adjusted financial statement income, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Note by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Note in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Note was held) is includable in gross income. Owners of Discount Notes should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Notes for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Notes.

The purchase price of certain Notes (the “Premium Notes”) paid by an owner may be greater than the amount payable on such Notes at maturity. An amount equal to the excess of a purchaser’s tax basis in a Premium Note over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Note in the hands of such purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Note. The amount of premium which is amortizable each year by a purchaser is determined by using such purchaser’s yield to maturity. Purchasers of the Premium Notes should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Notes for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Notes.

Notice 94-84, 1994-2 C.B. 559, states that the IRS is studying whether the stated interest portion of the payment at maturity on a short-term debt obligation (such as the Notes), that matures not more than one year from the date of issue, bears a stated fixed rate of interest and is described in section 103(a) of the Code, is (i) qualified stated interest that is excluded from the stated redemption price at maturity of the obligation (within the meaning of section 1273 of the Code) but is excluded from gross income pursuant to section 103(a) of the Code, or (ii) is not qualified stated interest and, therefore, is included by the taxpayer in the stated redemption price at maturity of the obligation, creating or increasing (as to that taxpayer) original issue discount on the obligation that is excluded from gross income pursuant to section 103(a) of the Code. Notice 94-84 states that until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, a taxpayer holding such obligations may treat the stated interest payable at maturity either as qualified stated interest or as included in the stated redemption price at maturity of the obligation. However, the taxpayer must treat the amounts to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Notice 94-84 does not address various aspects necessary to the application of the latter method (including, for example, the treatment of a holder acquiring its Notes other than in the original public offering or at a price other than the original offering price). Each person considering acquiring the Notes should consult its own tax advisor with respect to the tax consequences of ownership of and of the election between the choices of treatment of the stated interest payable at maturity on the Notes.

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the unqualified legal opinion of Norton Rose Fulbright US LLP, New York, New York, Bond Counsel. Such legal opinion will be delivered in substantially the form attached hereto as Appendix D.

RATING

The Notes are not rated.

Subject to the approval of the District, the purchaser(s) of the Notes may have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the District, such as a rating action that may require the filing of a material event notification to EMMA and/or the provision of a supplement to the Final Official Statement.

MUNICIPAL ADVISOR

Munistat Services, Inc. (the “Financial Advisor”), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Financial Advisor serves as independent financial advisor to the District on matters relating to debt management. The Financial 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 Financial Advisor has provided advice as to the plan of financing and the structuring of the Notes and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District and other sources of information believed to be reliable. The Financial 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 Financial Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

OTHER MATTERS

The statutory authority for the District to borrow money in anticipation of the receipt of real property taxes and to issue tax anticipation notes is Section 24.00 of the Local Finance Law.

There is no bond or note principal or interest past due.

The fiscal year of the District is July 1 to June 30.

This Official Statement does not include the financial data of any political subdivision of the State having power to levy taxes within the District, except as expressed in the “Calculation of Estimated Overlapping and Underlying Indebtedness.”

ADDITIONAL INFORMATION

Additional information may be obtained from the office of Peter Branscombe, Deputy Superintendent, Mount Sinai Union Free School District, P.O. Box 397, 118 North Country Road, Mount Sinai, NY 11766, Phone (631) 870-2554 and email: pbranscombe@mtsinai.k12.ny.us or from Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number (631) 331-8888.

So far as 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 such opinions or estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing with regard to the Notes is to be construed as a contract with the holders of the Notes.

Except for its review of the descriptions of the terms of the Notes and its approving legal opinion to be rendered on the Notes as Bond Counsel to the District, Norton Rose Fulbright US LLP has not participated in the preparation of this Official Statement, nor verified the accuracy, completeness or fairness of the information contained herein, and accordingly, expresses no opinion with respect thereto.

The preparation and distribution of this Official Statement has been approved by the President of the Board of Education of the District pursuant to the power delegated to him by the authorizing Bond resolution to sell and deliver the Notes.

This Official Statement has been duly executed and delivered by the President of the Board of Education of the Mount Sinai Union Free School District.

President of the Board of Education
Mount Sinai Union Free School District
Mount Sinai, New York

August , 2026

APPENDIX A

FINANCIAL INFORMATION

Balance Sheet
General Fund

	Fiscal Year Ended June 30:		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
Assets:			
Unrestricted	\$ 7,327,078	\$ 7,612,728	\$ 9,749,928
Restricted	10,026,599	11,685,567	10,135,980
Accounts Receivable	37,065	28,490	23,883
Due From Other Funds	2,140,154	921,083	914,965
Due from State and Federal	1,923,185	1,492,961	1,132,940
Due Other Governments	<u>162,851</u>	<u>224,180</u>	<u>357,861</u>
Total Assets	<u>\$ 21,616,932</u>	<u>\$ 21,965,009</u>	<u>\$ 22,315,557</u>
Liabilities:			
Accounts Payable	\$ 901,409	\$ 660,644	\$ 1,148,185
Accrued Liabilities	632,139	451,060	534,184
Due to Other Funds	1,500,115	2,968,185	1,929,174
Due to Other Governments	11,149	23,905	46,000
Due to Teachers' Retirement System	2,738,997	2,766,207	2,945,743
Due to Employees' Retirement System	138,640	152,780	174,427
Compensated Absences Payable	1,640,924	1,157,150	1,295,388
Other Liabilities	40,374	42,071	27,488
Deferred Revenues	<u>100,712</u>	<u>100,712</u>	<u>100,712</u>
Total Liabilities	<u>\$ 7,704,459</u>	<u>\$ 8,322,714</u>	<u>\$ 8,201,301</u>
Fund Balances:			
Restricted	8,902,923	8,608,646	9,114,554
Assigned	2,337,481	2,281,421	2,170,420
Unassigned	<u>2,672,069</u>	<u>2,752,228</u>	<u>2,829,282</u>
Total Fund Balances	<u>13,912,473</u>	<u>13,642,295</u>	<u>14,114,256</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 21,616,932</u>	<u>\$ 21,965,009</u>	<u>\$ 22,315,557</u>

Source: Audited Financial Statements (2023-2025)

Note: This Schedule is NOT audited.

Statement of Revenues, Expenditures and Fund Balances
General Fund

	Fiscal Year End June 30:				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues:					
Real Property Taxes	\$ 37,737,429	\$ 38,756,222	\$ 39,783,230	\$ 42,152,394	\$ 43,864,029
Other Tax Items	3,695,433	3,477,588	3,421,213	3,197,948	3,088,454
Charges for Services	46,949	129,269	230,732	210,723	377,080
Use of Money and Property	8,209	15,823	224,977	277,085	562,134
Forfeitures	1,883	100	423		749
Sale of Property & Compensation for Loss	1,272	2,828	10,570	121,718	14,644
Miscellaneous	802,858	350,500	452,846	454,299	491,658
State Sources	17,534,879	18,190,549	18,338,492	18,723,042	18,600,596
Medicaid Reimbursement	1,343	1,051	7,069	5,793	5,696
Federal Sources	218,744	1,079		21,614	12,708
Total Revenues	<u>60,048,999</u>	<u>60,925,009</u>	<u>62,469,552</u>	<u>65,164,616</u>	<u>67,017,748</u>
Expenditures:					
General Support	5,989,986	6,074,664	6,471,376	6,202,868	6,943,116
Instruction	35,487,085	36,315,454	35,392,861	37,065,146	38,263,325
Pupil Transportation	3,666,638	3,709,482	4,264,209	4,240,888	4,315,081
Community Services	170				
Employee Benefits	11,022,437	11,904,318	12,457,742	13,288,538	14,167,950
Debt Service	1,357,846	1,292,306	1,485,745	1,555,219	1,067,898
Total Expenditures	<u>57,524,162</u>	<u>59,296,224</u>	<u>60,071,933</u>	<u>62,352,659</u>	<u>64,757,370</u>
Other Financing Sources (Uses):					
Interfund Transfers In	277,151	282,428	49		308,770
Interfund Transfers Out	(56,167)	(6,087,890)	(1,577,688)	(3,082,135)	(2,097,187)
Total Other Financing Sources (Uses)	<u>220,984</u>	<u>(5,805,462)</u>	<u>(1,577,639)</u>	<u>(3,082,135)</u>	<u>(1,788,417)</u>
Net Change In Fund Balances	<u>2,745,821</u>	<u>(4,176,677)</u>	<u>819,980</u>	<u>(270,178)</u>	<u>471,961</u>
Fund Balances Beg. of Fiscal Year	<u>14,523,349</u>	<u>17,269,170</u>	<u>13,092,493</u>	<u>13,912,473</u>	<u>13,642,295</u>
Fund Balances End of Fiscal Year	<u>\$ 17,269,170</u>	<u>\$ 13,092,493</u>	<u>\$ 13,912,473</u>	<u>\$ 13,642,295</u>	<u>\$ 14,114,256</u>

Source: Audited Financial Statements (2021-2025)

Note: This Schedule is NOT audited.

Budget Summaries

		Fiscal Year End June 30:	
		<u>2025-2026^b</u>	<u>2026-2027^b</u>
Revenues:			
Real Property Taxes	\$	48,336,812	\$ 48,687,033
State Aid		18,725,683	18,899,778
Appropriation of Fund Balance from Prior Fiscal Year		2,129,463	4,753,457
Appropriate Reserve ERS		205,000	205,000
Miscellaneous Items		<u>1,335,170</u>	<u>1,111,496</u>
Total Revenues	\$	<u><u>70,732,128</u></u>	<u><u>\$ 73,656,764</u></u>
Expenditures:			
General Support	\$	4,365,745	\$ 4,448,430
Instruction		44,611,541	44,243,079
Pupil Transportation		4,640,290	4,254,054
Community Services		115,360	115,280
Interfund Transfers		132,400	100,000
Employee Benefits		15,480,866	15,916,995
Debt Service		<u>1,385,926</u>	<u>4,578,926</u>
Total Expenditures	\$	<u><u>70,732,128</u></u>	<u><u>\$ 73,656,764</u></u>

APPENDIX B

CASH FLOW SUMMARY

MOUNT SINAI UNION FREE SCHOOL DISTRICT

**CASH FLOW ACTUAL 2025-2026 (000's)
(ACTUAL THROUGH JUNE 2026)**

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total	
Balance	10,607	25,447	21,793	17,523	12,565	6,115	1,295	20,668	23,191	26,743	23,345	20,750	10,607	
Receipts														
Property Taxes	0	0	0	0	0	951	20,602	6,849	788	462	2,636	15,571	47,859	
STAR Payment	0	0	0	0	0	0	2,405	0	0	0	0	0	2,405	50,264
State Aid	471	314	12	1,916	93		2,299	133	7,758	0	2,112	1,172	16,280	
Other Receipts	749	156	218	1,777	395	931	883	819	254	225	200	532	7,139	
TAN Proceeds	16,900	0	0	0	0	0	0	0	0	0	0	0	16,900	
Total Receipts	18,120	470	230	3,693	488	1,882	26,189	7,801	8,800	687	4,948	17,275	90,583	73,683
Disbursements														
Debt Service	0	158	0	0	0	0	0	85	154	0	0	0	397	
Expenditures	3,280	3,966	4,500	8,651	6,938	6,702	6,816	5,193	5,094	4,085	6,214	11,371	72,810	
TAN Repayment	0	0	0	0	0	0	0	0	0	0	1,329	15,571	16,900	
Total Disbursements	3,280	4,124	4,500	8,651	6,938	6,702	6,816	5,278	5,248	4,085	7,543	26,942	90,107	
Balance	25,447	21,793	17,523	12,565	6,115	1,295	20,668	23,191	26,743	23,345	20,750	11,083	11,083	
Note Repayment Account														
Opening Balance	0	0	0	0	0	0	0	0	0	0	0	1,329	0	
Receipts	0	0	0	0	0	0	0	0	0	0	1,329	15,571	16,900	
Disbursements	0	0	0	0	0	0	0	0	0	0	0	16,900	16,900	
Closing Balance	0	0	0	0	0	0	0	0	0	0	1,329	0	0	

MOUNT SINAI UNION FREE SCHOOL DISTRICT

CASH FLOW PROJECTION 2026-2027 (000's)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Balance	11,083	8,605	23,149	16,711	13,509	7,269	1,049	17,334	19,344	21,209	16,089	11,927	11,083
Receipts													
Property Taxes	0	0	0	0	0	1,000	19,000	6,840	790	506	1,806	15,990	45,932
STAR Payment	0	0	0	0	0	0	2,405	0	0	0	0	0	2,405
State Aid	471	314	12	1,920	100	0	0	140	7,130	0	2,200	6,439	18,726
Other Receipts	154	28	6	624	0	1,180	502	830	300	0	200	0	3,824
TAN Proceeds	0	17,100	0	0	0	0	0	0	0	0	0	0	17,100
Total Receipts	625	17,442	18	2,544	100	2,180	21,907	7,810	8,220	506	4,206	22,429	87,987
Disbursements													
Debt Service	0	4	260	0	0	0	0	79	260	0	0	566	1,169
Expenditures	3,103	2,894	6,196	5,746	6,340	8,400	5,622	5,721	6,095	5,626	7,258	8,749	71,750
TAN Repayment	0	0	0	0	0	0	0	0	0	0	1,110	15,990	17,100
Total Disbursements	3,103	2,898	6,456	5,746	6,340	8,400	5,622	5,800	6,355	5,626	8,368	25,305	90,019
Balance	8,605	23,149	16,711	13,509	7,269	1,049	17,334	19,344	21,209	16,089	11,927	9,051	9,051
Note Repayment Account													
Opening Balance	0	0	0	0	0	0	0	0	0	0	0	1,110	0
Receipts	0	0	0	0	0	0	0	0	0	0	1,110	15,990	17,100
Disbursements	0	0	0	0	0	0	0	0	0	0	0	17,100	17,100
Closing Balance	0	0	0	0	0	0	0	0	0	0	1,110	0	0

APPENDIX C

FORM OF UNDERTAKING TO DISCLOSE CERTAIN EVENTS

**EVENTS NOTICE CERTIFICATE
PURSUANT TO RULE 15c2-12 OF THE
SECURITIES AND EXCHANGE COMMISSION**

On the date hereof, the Mount Sinai Union Free School District, Suffolk County, New York (the “Issuer”) is issuing its Notes (as defined herein). To facilitate compliance with the Rule (as defined herein) of the SEC (as defined herein) promulgated under the Securities Exchange Act of 1934, as amended by the underwriter (as defined in the Rule), the Issuer hereby undertakes for the benefit of the record and beneficial owners from time to time of the Notes (the “Holders”) to provide:

A. Definitions. As used in this Undertaking, the following terms have the meanings ascribed to such terms below:

“*Financial Obligation*” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii); provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“*Notes*” means the Issuer’s \$17,100,000 Tax Anticipation Notes, 2026, dated August 26, 2026.

“*Issuer*” means the Mount Sinai Union Free School District, Suffolk County, New York.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Rule*” means SEC Rule 15c2-12, as amended from time to time.

“*SEC*” means the United States Securities and Exchange Commission.

“*Undertaking*” means this Events Notice Certificate.

B. Event Notices. The Issuer shall provide notice of any of the following events with respect to the Notes to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (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 or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
- (7) Modifications to rights of holders of the Notes, if material;

- (8) Bond or Note calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Notes, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the Issuer, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of 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.

For these purposes, any event described in the immediately preceding paragraph (12) 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 United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental 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.

C. Filings with the MSRB. All notices and other documents provided to the MSRB in accordance with this Undertaking shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

D. Limitations, Disclaimers, and Amendments. The Issuer shall be obligated to observe and perform the covenants specified in this Undertaking for so long as, but only for so long as, the Issuer remains an “obligated person” with respect to the Notes within the meaning of the Rule.

The provisions of this Undertaking are for the sole benefit of the holders and beneficial owners of the Notes, and nothing in this Undertaking, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the notices which it has expressly agreed to provide pursuant to this Undertaking and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer’s financial results, condition, or prospects or hereby undertake

to update any information provided in accordance with this Undertaking or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Notes at any future date.

UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY NOTE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS UNDERTAKING, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the Issuer in observing or performing its obligations under this Undertaking shall constitute a breach of or default on the Notes.

Nothing in this Undertaking is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

The provisions of this Undertaking may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Undertaking, as so amended, would have permitted an underwriter to purchase or sell Notes in the primary offering of the Notes in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount of the outstanding Notes consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the holders and beneficial owners of the Notes. The Issuer may also repeal or amend the provisions of this Undertaking if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the Issuer also may amend the provisions of this Undertaking in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Notes in the primary offering of the Notes, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule.

IN WITNESS WHEREOF, I have hereunto set my hand this August 26, 2026.

President, Board of Education

APPENDIX D

FORM OF LEGAL OPINION

August 26, 2026

Mount Sinai Union Free School District
County of Suffolk,
State of New York

Re: Mount Sinai Union Free School District, Suffolk County, New York
\$17,100,000 Tax Anticipation Notes, 2026

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$17,100,000 Tax Anticipation Notes, 2026 (the “Obligation”), of the Mount Sinai Union Free School District, Suffolk County, New York (the “Obligor”), dated August 26, 2026, payable June 24, 2027, at maturity.

We have examined:

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

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

Norton Rose Fulbright US LLP is a limited liability partnership registered under the laws of Texas.

Norton Rose Fulbright US LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright Canada LLP and Norton Rose Fulbright South Africa Inc are separate legal entities and all of them are members of Norton Rose Fulbright Verein, a Swiss verein. Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients. Details of each entity, with certain regulatory information, are available at nortonrosefulbright.com.

contained in the Tax Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount, except as to certain statutory limitations which may result from the application of Chapter 97 of the Laws of 2011 of the State of New York, as amended, provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said state or the federal government affecting the enforcement of creditors' rights; and (ii) may be subject to the exercise of judicial discretion.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said state or the federal government affecting the enforcement of creditors' rights.
- (c) Under existing law, interest on the Obligation (1) will be excludable from the gross income, as defined in section 61 of the Code, of the owners thereof for federal income tax purposes, pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, assuming continuing compliance after the date hereof by the Obligor with the provisions of the Tax Certificate, and (2) will not be an item of tax preference for purposes of the federal alternative minimum tax on individuals. Under existing law, interest on the Obligation is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

We express no opinion with respect to any other federal, state or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Obligation. Ownership of tax-exempt obligations such as the Obligation may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income tax credit, corporations subject to the alternative minimum tax on adjusted financial statement income, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue

Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

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

Very truly yours,

MOUNT SINAI UNION FREE SCHOOL DISTRICT

APPENDIX E

**AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

[▶ Click Here For 2025 Audit](#)

NOTE: SUCH FINANCIAL STATEMENTS AND OPINIONS WERE PREPARED AS OF THE DATE THEREOF AND HAVE NOT BEEN REVIEWED AND /OR UPDATED BY THE DISTRICT'S AUDITORS IN CONNECTION WITH THE PREPARATION AND DISSEMINATION OF THIS OFFICIAL STATEMENT. CONSENT OF THE AUDITORS FOR INCLUSION OF THE AUDITED FINANCIAL REPORT IN THIS OFFICIAL STATEMENT HAS NOT BEEN REQUESTED NOR OBTAINED.