



OFFICIAL STATEMENT

NEW ISSUE

SERIAL BONDS

In the opinion of Barclay Damon LLP, Bond Counsel to the School District, under existing law and assuming compliance with certain covenants described herein and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by the School District, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is further of the opinion that interest on the Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code, however, interest on the Bonds that is included in the "adjusted financial statement income" of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code. Bond Counsel is also of the opinion that, under existing law, interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "Tax Matters" herein regarding certain other tax considerations.

The Bonds will be designated or deemed designated by the School District as "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Code.

\$5,025,000

WATERFORD-HALFMOON UNION FREE SCHOOL DISTRICT
SARATOGA COUNTY, NEW YORK

General Obligation Bonds

\$5,025,000 School District (Serial) Bonds, 2024

Dated: June 21, 2024

Due: June 15, 2025-2039

All of the Bonds are general obligations of the Waterford-Halfmoon Union Free School District, Saratoga County, New York (the "School District", the "County" and the "State", respectively). All the taxable real property within such School District is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount. See "Tax Levy Cap Law" herein.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, Jersey City, New Jersey, ("DTC" or the "Securities Depository") which will act as securities depository for the Bonds. Individual purchases will be made in book-entry only form, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. The Bonds bear interest from June 21, 2024, with interest thereon payable on December 15, 2024 and semi-annually thereafter on June 15 and December 15. Principal and interest will be paid by the School District to the Securities Depository, which will in turn remit such principal and interest to its Participants for subsequent distribution to the Beneficial Owners of the Bonds as described herein. The Record Date for the Bonds shall be the last business day of the calendar month preceding each payment date. Such Bonds mature on June 15 in each year, as set forth below.

The below-stated annual principal installments, together with the interest thereon, are expected to provide for substantially level or declining annual debt service on the Bonds. THE SCHOOL DISTRICT MAY, AFTER SELECTING THE LOW BIDDER, ADJUST THE PRINCIPAL AMOUNT OF THE BONDS AND/OR SUCH INSTALLMENTS PAYMENTS TO THE EXTENT NECESSARY IN ORDER TO MEET THE REQUIREMENTS OF THE CODE OR THE LOCAL FINANCE LAW RELATING TO SUBSTANTIALLY LEVEL OR DECLINING DEBT SERVICE.

MATURITIES

Table with 4 columns: Year, Amount, Year, Amount. Rows include 2025 (\$460,000), 2026 (\$460,000), 2027 (\$480,000), 2028 (\$490,000), 2029 (\$510,000), 2030 (\$265,000), 2031 (\$270,000), 2032 (\$290,000), 2033 (\$300,000), 2034 (\$310,000), 2035 (\$320,000), 2036 (\$210,000), 2037 (\$215,000), 2038 (\$215,000), 2039 (\$230,000).

Bonds maturing on or before June 15, 2032 are not subject to redemption prior to maturity. Bonds maturing on or after June 15, 2033 are subject to redemption, at the option of the School District, prior to maturity, in whole or in part, on any date, on or after June 15, 2032, at par, plus accrued interest to the redemption date. For the order and manner of redemption, see "Description of the Bonds" herein.

Bids will be received by the President of the Board of Education on TUESDAY, MAY 21, 2024 until 11:00 a.m. Prevailing Time, in accordance with the official Notice of Sale included herewith, at Bernard P. Donegan, Inc., 345 Woodcliff Drive, 2nd Floor, Fairport, New York 14450; facsimile: (585) 924-4636.

The Bonds are offered when, as and if issued and received by the purchasers and subject to the receipt of an unqualified legal opinion as to the validity of the Bonds of Barclay Damon LLP, Albany, New York, Bond Counsel. It is anticipated that the Bonds will be available for delivery in escrow to DTC one day in advance of the date of delivery of the Bonds. The closing will be through DTC in Jersey City, New Jersey on or about June 21, 2024 at approximately 11:00 a.m. Prevailing Time.

NOTICE OF BOND SALE

\$5,025,000

WATERFORD-HALFMOON UNION FREE SCHOOL DISTRICT SARATOGA COUNTY, NEW YORK

SCHOOL DISTRICT (SERIAL) BONDS, 2024

(BOOK ENTRY ONLY) (CALLABLE) (BANK QUALIFIED)

ELECTRONIC PROPOSALS will be received via the BiDCOMP®/Parity® Electronic Competitive Bidding System (“PARITY”) of i-Deal LLC (“i-Deal”) or **WRITTEN OR FACSIMILE PROPOSALS** will be received and considered by the undersigned President of the Board of Education of Waterford-Halfmoon Union Free School District (the “School District”), Saratoga County, New York, at **Bernard P. Donegan, Inc., 345 Woodcliff Drive, 2nd Floor, Fairport, New York 14450, on TUESDAY, MAY 21, 2024 until 11:00 a.m., Prevailing Time**, at which time and place the bids will be publicly opened and announced, for the purchase IN FEDERAL FUNDS at not less than par and accrued interest of \$5,025,000 School District (Serial) Bonds, 2024, dated June 21, 2024, maturing on June 15 of each year as follows:

<u>Year</u>	<u>Amount**</u>	<u>Year</u>	<u>Amount**</u>	<u>Year</u>	<u>Amount**</u>
2025	\$460,000	2030	\$265,000	2035*	\$320,000
2026	460,000	2031	270,000	2036*	210,000
2027	480,000	2032	290,000	2037*	215,000
2028	490,000	2033*	300,000	2038*	215,000
2029	510,000	2034*	310,000	2039*	230,000

* The Bonds maturing in the years indicated are subject to redemption prior to maturity as described below.

** The School District may, after selecting the low bidder, adjust the principal payments to the extent necessary in order to meet the requirements of the Local Finance Law relating to substantially level or declining debt service. In addition, the aggregate principal amount of the Bonds may be decreased in an amount not in excess of the premium offered by the successful bidder and, if so decreased, the amount of each annual maturity of the Bonds will be adjusted to the extent necessary, in order that the total proceeds, which include the total principal amount of the Bonds plus the original issue premium, if any, received by the School District does not exceed the maximum amount permitted under applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”). Such adjustments will be made within 24 hours following the opening of the bids. The successful bidder may neither withdraw nor modify its bid as a result of any such post-bid adjustment. Any such adjustment shall be conclusive, shall be promptly communicated to the successful bidder, and shall be binding upon the successful bidder. The Bonds of each maturity, as adjusted, will bear interest at the same interest rate as specified for that maturity in the Proposal for Bonds submitted by the successful bidder for the Bonds, and must have the same initial reoffering yields as thereafter specified by such bidder. Notwithstanding any post-bid adjustment, and provided the School District will receive at the time of delivery of such Bonds an amount which, together with the amount of the good faith deposit theretofore received, is at least equal to the principal amount of the Bonds, the School District will hold constant, on a per Bond basis, the successful bidder’s underwriting spread with respect to such Bonds. However, the award shall be made to the bidder whose bid produces the lowest net interest cost solely on the basis of the Bonds offered, without taking into account any adjustment in the principal amount of the Bonds pursuant to this paragraph.

Bonds maturing on or before June 15, 2032 are not subject to redemption prior to maturity. Bonds maturing on or after June 15, 2033 are subject to redemption, at the option of the School District, prior to maturity, in whole or in part, on any date on or after June 15, 2032, at par, plus accrued interest to the redemption date.

Interest on the Bonds will be payable on December 15, 2024 and semi-annually thereafter on June 15 and December 15 of each year until maturity.

The Depository Trust Company (“DTC”) will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee). One fully registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity and will be deposited with DTC. Principal and interest payments on the Bonds will be paid by the School District to DTC. Reference should be made to the Official Statement of the School District for a complete description of DTC and the book-entry system.

The Bonds will be issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law, to finance the renovation and reconstruction of the K-12 school building and existing athletic fields and facilities.

The Bonds are general obligations of the School District. There is no limitation either as to rate or amount of ad valorem taxes upon taxable real property in the School District which may be required to pay the Bonds and the interest thereon. For a discussion of Chapter 97 of the Laws of 2011 ("Chapter 97"), see "Tax Levy Cap Law" in the Official Statement. The State Constitution requires the School District to pledge its faith and credit for the payment of the principal of the Bonds and the interest thereon and to make annual appropriations for the amounts required for the payment of such interest and the redemption of the Bonds. The State Constitution also provides that if, at any time, the appropriating authorities fail to make the required appropriations for the annual debt service on the Bonds and certain other obligations of the School District, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied for such purposes; also, that the fiscal officer of the School District may be required to set apart and apply such revenues as aforesaid at the suit of any owner of such obligations. Upon default in the payment of principal of or interest on the Bonds or certain other obligations of the School District, the State Comptroller is required, under the conditions and to the extent prescribed by Section 99-b of the State Finance Law, to withhold State aid and assistance to the School District and to apply the amount thereof so withheld to the payment of defaulted principal and interest with respect to said Bonds and other obligations.

Each bid must be for all of said \$5,025,000 serial bonds. One or more rates of interest may be bid, provided, however, that only one rate of interest may be bid for Bonds of the same maturity and the interest rate for each maturity shall not be less than the interest rate for any prior maturity. Such rate shall be stated in a multiple of one-hundredth or one-eighth of one percentum per annum. The maximum difference between the highest and lowest interest rate bid may not exceed one and one-half per centum. Unless all bids are rejected, the award will be made to the bidder or bidders complying with the terms of sale and offering to purchase the Bonds at such rate or rates of interest as will produce the lowest interest cost over the life of the Bonds, computed in accordance with the net interest cost method. Following the sale of the Bonds, the principal payments and/or the aggregate par amount of the Bonds may be adjusted as described above. The right is reserved to reject any or all bids, and any bid not complying with this Notice of Bond Sale, except as provided above, will be rejected.

Each bid must be received by 11:00 a.m. on May 21, 2024. For the purposes of the electronic bidding process, the time as maintained by PARITY shall constitute the official time with respect to all electronic bids submitted. As a condition precedent to the consideration of the proposal, each bidder is required to deposit with the Sale Officer: John Catanzarita, President of the Board of Education, c/o Bernard P. Donegan, Inc., 345 Woodcliff Drive, 2nd Floor, Fairport, New York 14450, a certified or cashier's check drawn upon an incorporated bank or trust company payable to the order of "Waterford-Halfmoon Union Free School District, New York" for \$100,500 (the "Deposit") as a good faith deposit to secure the School District against any loss resulting from the failure of the bidder to comply with the terms of its bid. In lieu of a certified or cashier's check, bidders may send a wire transfer to the account so designated by the School District for such purpose, and provide the wire reference number not later than 10:00 A.M. on the date of the sale. The wire reference number must be provided on the "Proposal for Bonds" when the bid is submitted. Bidders are instructed to contact Bernard P. Donegan, Inc., 345 Woodcliff Drive, 2nd Floor, Fairport, New York 14450 (585-924-2145; fax no. 585-924-4636), the School District's municipal advisor, no later than 24 hours prior to the bid opening to obtain the School District's wire instructions. The School District reserves the right to award the Bonds to the successful bidder whose wire transfer is initiated but not received by such time provided that such successful bidder's federal wire reference number has been received. If a check is used, it must accompany each bid.

ELECTRONIC BIDS may be submitted to PARITY, in accordance with the rules and requirements of PARITY, at the place and time on the sale date indicated above. Electronic bids will be subject to the terms and conditions of this Notice of Bond Sale. Further information about PARITY including any fee charged, may be obtained from BiDCOMP@Parity®, 1359 Broadway, Second Floor, New York, New York (212) 849-5021. The School District will not be responsible or liable for bids submitted electronically through PARITY.

NO ELECTRONIC BID WILL BE ACCEPTED UNLESS THE BIDDER HAS SUBMITTED A CASH WIRE OR A CHECK IN THE AMOUNT REQUIRED FOR THE GOOD FAITH DEPOSIT.

Each bidder is solely responsible for making necessary arrangements to access Parity for purposes of submitting a timely bid in compliance with the requirements of this Notice of Bond Sale. The School District has no duty or obligation to provide or assure access to Parity and the School District shall not be responsible for the proper operation of Parity, or have any liability for any delays or interruptions or any damages caused by use or attempted use of Parity. Parity is acting as an independent contractor, and is not acting for or on behalf of the School District. The use of Parity facilities are at the sole risk of the prospective bidders. The School District is not responsible for ensuring or verifying bidder compliance with Parity's procedures. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via Parity are the sole responsibility of the bidders and the School District is not responsible, directly or indirectly, for any such costs or expenses. If the bidder's bid is accepted by the School District, this Notice of Bond Sale and the information that is submitted electronically through Parity shall form a contract, and the bidder shall be bound by the terms of such contract. Information provided by Parity to bidders shall form no part of any bid or of any contract between the successful bidder and the School District unless that information is included in this Notice of Bond Sale.

If any provision of the complete official Notice of Bond Sale shall conflict with the information provided by PARITY as the approved provider of electronic bidding services, the official Notice of Bond Sale shall control.

When the successful bidder has been ascertained, all such Deposits will be promptly returned to the persons making them, except the Deposit of the successful bidder. The School District shall not incur any liability from delays of or interruptions in the receipt of the Deposit by the unsuccessful bidders. Under no circumstance shall interest accrue on the Deposit occasioned by a delay in the return of the Deposit to any unsuccessful bidder. No interest on the Deposit will accrue to the successful bidder. Award of the Bonds to the successful bidder, or rejection of all bids, is expected to be made promptly after opening of the bids, but such successful bidder may not withdraw its proposal until after 1:00 P.M., Prevailing Time, of the day of such bid opening and then only if such award has not been made prior to the withdrawal. The successful bidder will be promptly notified of the award to it, and if it refuses or neglects to pay the agreed price of the Bonds less the Deposit, the Deposit shall be forfeited to and retained by the School District as liquidated damages for such neglect or refusal.

The Bonds will be designated or deemed designated as "qualified tax-exempt obligations" pursuant to Section 265 of the Code.

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment thereof at the option of the bidder, the purchase of any such insurance policy or the issuance of any such commitment therefor shall be at the sole option and expense of such bidder and any increased costs of issuance of the Bonds resulting by reason of the same, unless otherwise paid, shall be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued, shall not constitute cause for a failure or refusal by the purchaser of the Bonds to accept delivery of and pay for said Bonds in accordance with the terms of its proposal.

The population of the School District is estimated to be 5,836 (2022 U.S. Census estimate). The debt statement to be filed pursuant to Section 109.00 of the Local Finance Law, in connection with the sale of the Bonds herein described, prepared as of May 7, 2024, will show the assessed valuation of real property subject to taxation by the School District to be \$519,960,534, the full valuation of real property subject to taxation by the School District to be \$670,628,418, its debt limit to be \$67,062,841, and its bonded indebtedness (inclusive of the Bonds) to be \$20,945,000. The calculation of such bonded indebtedness has not taken into account any deductions therefrom of any apportionment of State aid for debt service for school building purposes to which the School District may be entitled.

As a condition to the purchaser's obligation to accept delivery of and pay for the Bonds, the purchaser will be furnished, without cost, the following, dated as of the date of delivery of and payment for the Bonds: (a) the usual closing certificate of the School District in form satisfactory to **Barclay Damon LLP, Albany, New York**, Bond Counsel, evidencing, among other things, the proper execution and delivery of the Bonds, the receipt of payment therefor and the fact that the Bonds will not be arbitrage obligations within the meaning of the Code; (b) a certificate, in form satisfactory to Bond Counsel and dated as of the closing date, to the effect that (i) there is no litigation pending or, to the knowledge of the signers, threatened affecting the Bonds, (ii) at the time of the sale of the Bonds on May 21, 2024, the Official Statement did not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, subject to the condition that while information in said Official Statement obtained from sources other than the School District is not guaranteed as to accuracy, completeness or fairness, the School District has no reason to believe and does not believe that such information is materially inaccurate or misleading, and (iii) to the School District's knowledge, since the date of said Official Statement, there have been no material transactions not in the ordinary course of affairs entered into by the School District and no material adverse changes in the general affairs of the School District or in its financial condition as shown in said Official Statement other than as disclosed in or contemplated by said Official Statement; and (c) the approving opinion of Bond Counsel to the effect that the Bonds are valid and legally binding obligations of the School District, that all the taxable real property therein will be subject to the levy of ad valorem taxes to pay the Bonds and the interest thereon without limitation as to rate or amount that among other things, the Code includes certain requirements that must be met subsequent to the issuance of the Bonds in order that interest thereon be and remain excluded from gross income to the recipients thereof, and that under existing law and assuming compliance with certain covenants, interest on the Bonds is excluded from gross income for Federal income tax purposes and, by virtue of the Local Finance Law, interest on the Bonds is exempt from personal income taxes of the State of New York and its political subdivisions. Interest on the Bonds is not an item of tax preference for purposes of the individual alternative minimum tax imposed by the Code, however, interest on the Bonds that is included in the "adjusted financial statement income" of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code. Such opinion also will state that: (a) the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity; and (b) such opinion is given as of its dated date and that Bond Counsel assumes no obligation to update or supplement their opinion to reflect any facts or circumstances that may thereafter come to their attention or any changes in law that may occur thereafter.

The School District's fiscal year ends on June 30. There is no obligated person under the SEC Rule 15c2-12 other than the School District.

The School District reserves the right to change the time and/or date for the opening of bids. Notice of such change shall be provided not less than one hour prior to the time set forth above for the opening of bids by means of a supplemental

Notice of Bond sale to be transmitted over the TM3.

In the event that prior to the delivery of the Bonds, the income received by private holders from bonds of the same type and character shall be taxable by the terms of any Federal income tax law, the successful bidder may, at its election, be relieved of its obligation under the contract to purchase the Bonds, and in such case, the Deposit accompanying its bid will be returned.

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

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

By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Bonds for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Requirements are not met, it will elect and satisfy either option (1) or option (2) described below. *Such election must be made on the bid form submitted by each bidder.*

(1) Hold the Price. The winning bidder:

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

(2) Follow the Price. The winning bidder:

- (a) will make a bona fide offering to the public of all of the Bonds at the Initial Reoffering Prices and provide the Issuer with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel,
- (b) will report to the School District information regarding the actual prices at which at least 10 percent of the Bonds within each maturity of the Bonds have been sold to the public,
- (c) will provide the School District with reasonable supporting documentation or certifications of such sale prices the form of which is acceptable to Bond Counsel. This reporting requirement, which may extend beyond the closing date of the Bonds, will continue until such date that 10 percent of each maturity of the Bonds has been sold to the public, and
- (d) has or will include within any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

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

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

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

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

Such information, together with any other information required by the Notice of Bond Sale to be specified by the purchaser or which is necessary for the purchaser to comply with SEC Rule 15c2-12 (such as, selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars), the identity of the underwriters if the successful bidder is part of a group or syndicate, the interest rate, insurance, if any, rating, if any, and the like), will be coupled by the purchaser with the official statement, dated of even date herewith, to become the "final official statement" under paragraph (b)(3) of SEC Rule 15c2-12. Within five business days following receipt by the School District of such information the School District will furnish to the purchaser, in reasonable quantities as requested by the purchaser, copies of said final official statement, updated as necessary, and supplemented to include said information in sufficient quantity and in sufficient time for the successful bidder to comply with paragraphs (b)(3) and (b)(4) of SEC Rule 15c2-12 and applicable rules of the Municipal Securities Rulemaking Board. Failure of the purchaser to provide such information will prevent the School District from furnishing such final official statement as described above. The purchaser shall notify the School District as soon as practicable of the date which is the "end of the underwriting period" (as defined in SEC Rule 15c2-12).

Requests for additional information or additional copies of the Notice of Bond Sale and Official Statement may be directed to Bernard P. Donegan, Inc., 345 Woodcliff Drive, 2nd Floor, Fairport, New York 14450; phone (585) 924-2145, fax (585) 924-4636. School District's contact information: Samantha Schweizer, phone: (518) 237-0800 ext. 3305, email: sschweizer@whufsd.org.

Dated: May 7, 2024
Waterford, New York

John Catanzarita
President, Board of Education
and Chief Fiscal Officer

PROPOSAL FOR BONDS

John Catanzarita
 President, Board of Education
 Waterford-Halfmoon Union Free School District
 c/o Bernard P. Donegan, Inc.
 345 Woodcliff Drive, 2nd Floor
 Fairport, New York 14450
 Facsimile: (585) 924-4636

\$5,025,000 School District (Serial) Bonds, 2024
 Sale Date & Time: May 21, 2024 at 11:00 a.m.

(1)	<u>Year of Maturity</u>	<u>Interest Rate</u>	:	<u>Year of Maturity</u>	<u>Interest Rate</u>	:	<u>Year of Maturity</u>	<u>Interest Rate</u>	:	<u>Year of Maturity</u>	<u>Interest Rate</u>
	2025	_____ %	:	2028	_____ %	:	2031	_____ %	:	2034	_____ %
	2026	_____ %	:	2029	_____ %	:	2032	_____ %	:	2035	_____ %
	2027	_____ %	:	2030	_____ %	:	2033	_____ %	:	2036	_____ %
			:			:			:	2037	_____ %
			:			:			:	2038	_____ %
			:			:			:	2039	_____ %

(2)	Gross Interest	\$		Net Interest	\$
	Premium Bid Over Par	\$		Net Interest Cost	%

(3) Check one of the following:

- We enclose a certified or cashier's check for \$100,500 payable to the order of the Waterford-Halfmoon Union Free School District, New York. If the bid is accepted, the Deposit will be applied as part payment for the Bonds or, if the bidder does not purchase the Bonds in accordance with its proposal, the Deposit will be retained by the School District as and for liquidated damages. If the bid is not accepted, the Deposit will be returned to the bidder.
- We sent a fed wire transfer of \$100,500 to the account of said Waterford-Halfmoon Union Free School District, New York designated for such purpose in accordance with the Notice of Bond Sale and instructions provided by the School District's Municipal Advisor. The fed wire reference number is _____ sent at _____. If the bid is accepted, the Deposit will be applied as part payment for the Bonds or, if the bidder does not purchase the Bonds in accordance with its proposal, the Deposit will be retained by the School District as and for liquidated damages. If the bid is not accepted, the Deposit will be returned to the bidder.

(4) **A) ISSUE PRICE:**
THE BIDDER REPRESENTS THAT IT HAS AN ESTABLISHED INDUSTRY REPUTATION FOR UNDERWRITING NEW ISSUANCES OF MUNICIPAL BONDS SIMILAR TO THE BONDS. (Select one)

YES ___ NO ___

If the Competitive Sale Requirements are not met, the Bidder will use one or more of the following methods to determine the issue price of the Bonds:

Please select one of the following:

(if none are selected, then the method shall be assumed to be Follow the Price for each maturity with at least 10% sold on the Sale Date at the Initial Reoffering Price and Hold the Price for all unsold maturities):

_____ Follow the Price for all maturities -or- _____ Hold the Price for all maturities -or-

_____ Follow the Price for each maturity with at least 10% of each maturity sold on the Sale Date at the Initial Reoffering Price and Hold the Price Rule for all other maturities

B) TO BE COMPLETED BY BIDDERS WHO ARE PURCHASING BONDS FOR THEIR OWN ACCOUNT: The Bidder is not acting as an underwriter with respect to the Bonds or is not a related party to an underwriter with respect to the Bonds and has no present intention to sell, reoffer or otherwise dispose of the Bonds.

YES ___ NO ___

(5) **BIDDER:**

Firm/Bank _____
 Individual _____
 Address _____
 Telephone () _____
 E-mail _____

AGENT for Bidder:

 () _____

(6) **SIGNATURE** of Bidder or Agent _____

No person has been authorized by the Waterford-Halfmoon Union Free School District to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representation must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation or sale 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 Waterford-Halfmoon Union Free School District since the date hereof.

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OFFICIAL STATEMENT

WATERFORD-HALFMOON UNION FREE SCHOOL DISTRICT SARATOGA COUNTY, NEW YORK

Relating to

\$5,025,000 School District (Serial) Bonds, 2024

This Official Statement (the "Official Statement"), which includes the cover page, has been prepared by the Waterford-Halfmoon Union Free School District, Saratoga County, New York (the "School District", the "County" and the "State", respectively) in connection with the sale by the School District of \$5,025,000 School District (Serial) Bonds, 2024 (the "Bonds").

This Official Statement is hereby "deemed final" by the School District within the meaning of, and for the purposes of, paragraph (b)(1) of Securities and Exchange Commission Rule 15c2-12.

DESCRIPTION OF THE BONDS

The Bonds contain a pledge of faith and credit of the School District for the payment of the principal of and interest on the Bonds as required by the Constitution and laws of the State of New York (State Constitution, Article VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, (see "Tax Levy Cap Law" herein).

The Bonds comprise an issue in the principal amount of \$5,025,000, will be dated June 21, 2024, and mature in annual installments on June 15 in the following years and amounts:

MATURITIES

2025	\$ 460,000	2029	\$ 510,000	2033	\$ 300,000	2037	\$ 215,000
2026	460,000	2030	265,000	2034	310,000	2038	215,000
2027	480,000	2031	270,000	2035	320,000	2039	230,000
2028	490,000	2032	290,000	2036	210,000		

The aggregate par amount of Bonds may be decreased in an amount not in excess of the premium offered by the successful bidder and, if so decreased, the amount of each annual maturity of the Bonds will be adjusted to the extent necessary, in order that the total proceeds, which include the total par amount of the Bonds plus the original issue premium, if any, received by the School District does not exceed the maximum amount permitted under applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, the School District may, after selecting the low bidder, adjust the principal payments to the extent necessary in order to meet the requirements of the Local Finance Law relating to substantially level or declining debt service. Such adjustments will be made within 24 hours following the opening of the bids. The successful bidder may neither withdraw nor modify its bid as a result of any such post-bid adjustment. Any such adjustment shall be conclusive, shall be promptly communicated to the successful bidder, and shall be binding upon the successful bidder. The Bonds of each maturity, as adjusted, will bear interest at the same interest rate as specified for that maturity in the Proposal for Bonds submitted by the successful bidder for the Bonds, and must have the same initial reoffering yields as thereafter specified by such bidder. Notwithstanding any post-bid adjustment, and provided the School District will receive at the time of delivery of such Bonds an amount which together with the amount of the good faith deposit theretofore received is at least equal to the par amount of the Bonds, the School District will hold constant, on a per Bond basis, the successful bidders' underwriting spread with respect to such Bonds. However, the award shall be made to the bidder whose bid produces the lowest net interest cost solely on the basis of the Bonds offered, without taking into account any adjustment in the amount of the Bonds pursuant to this paragraph.

Concluded on following page.

DESCRIPTION OF THE BONDS- Concluded

Bonds maturing on or before June 15, 2032 are not subject to redemption prior to maturity. Bonds maturing on or after June 15, 2033 are subject to redemption, at the option of the School District, prior to maturity, in whole or in part, on any date on or after June 15, 2032, at par, plus accrued interest to the redemption date. If less than all of the Bonds are to be redeemed, the particular maturity or maturities of Bonds to be redeemed shall be selected by the School District; and if less than all Bonds of any maturity are to be redeemed, the particular Bonds of such maturity to be redeemed shall be selected by the School District by lot in any customary manner of selection as determined by the President of the Board of Education. Notice of redemption shall be given by mailing such notice to the registered holder not more than sixty (60) nor less than thirty (30) days prior to the date of redemption. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in such notice, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry only form, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Principal and interest will be paid by the School District to the securities depository, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. The Bonds will bear interest from June 21, 2024, with interest thereon payable on December 15, 2024 and semi-annually thereafter on June 15 and December 15. The Record Date for the Bonds will be the last business day of the calendar month preceding each payment date. The Bonds may not be registered to bearer or converted to coupon bonds.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), Brooklyn, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds 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. Upon issuance of the Bonds, one fully registered bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest security depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation ("NSCC") and Fixed Income Clearing Corporation ("FICC"), 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.

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

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the School 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, and principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the School District, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers

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BOOK-ENTRY-ONLY SYSTEM - Concluded

in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC (nor its nominee), or the School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, 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 School District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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

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

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

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE SCHOOL DISTRICT MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

CERTIFICATED BONDS

In the event that the book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof for any single maturity. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State of New York to be named as the fiscal agent by the School District upon termination of the book-entry-only system. Interest on the Bonds will remain payable December 15, 2024 and semi-annually thereafter on June 15 and December 15, in each year until maturity (or earlier redemption). Interest on the Bonds will be payable by check or draft mailed by the fiscal agent to the registered owners of the Bonds, as shown on the registration books of the School District maintained by the fiscal agent as of the close of business on the Record Date, being the last business day of the calendar month immediately preceding each interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner for Bonds of the same maturity or any other authorized denomination or denominations in the same aggregate principal amount in the manner described on the Bonds and as referenced in certain proceedings of the School District referred to therein.

AUTHORIZATION AND PURPOSE

The Bonds are issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law, for the following purpose:

The renovation and reconstruction of the K-12 school building and existing athletic fields and facilities, pursuant to a Bond Resolution dated January 9, 2020, authorizing the issuance of \$15,185,000 serial bonds, of which the School District is now issuing \$5,025,000 of serial bonds.

There are currently outstanding \$8,745,000 School District DASNY (Serial) Bonds dated, June 15, 2023 and \$2,500,000 Bond Anticipation Notes against said Resolution, maturing June 25, 2024. Said Notes will be paid in full at maturity with a portion (\$2,340,000) of the proceeds of this issue, together with \$160,000 current available funds appropriated therefor.

The remaining portion (\$2,685,000) of this issue represents the fourth and final issuance of indebtedness against said Resolution.

STATUS OF PROJECT

On December 10, 2019, the voters approved a \$15,185,000 capital project. This project will be completed in phases with Phases 2A and 2B consisting of the renovations and reconstruction of the K-12 school buildings and existing athletic fields and facilities. As part of the 2022-23 and 2023-24 Budgets, the School District voters approved an additional \$250,000 transfer to the Capital Fund to be used toward this project, increasing the authorization to \$15,435,000. Plans and specifications for both phases have received approval from the State Education Department. Construction for Phase 2A began in the spring of 2022 and is complete. Construction for Phase 2B began in the fall of 2023 and is estimated to be complete by the fall of 2024.

REMAINING BOND AUTHORIZATIONS

The School District has no bond authorizations for other purposes that remain unissued as of the date of this Official Statement.

FUTURE CAPITAL PLANS

Upon completion of the \$15,435,000 capital project, the School District will review the Five Year Plan. At that time, the School District plans to begin drafting plans and specifications for a future Capital Project that will focus on the renovation of the high school classrooms in the high school wing.

GENERAL INFORMATION

The Waterford-Halfmoon Union Free School District is located in the Towns of Waterford and Halfmoon in Saratoga County, and covers approximately 7 square miles. The School District was the first public school in Saratoga County to receive a Regents Charter in 1849.

With the School District's close proximity to New York's Capital District, the School District is served by an excellent network of State highways. Bus service and air transportation are available in Albany; rail service is available in Rensselaer.

The School District is residential in nature, with many of its residents commuting to Albany for employment. The School District provides public education for grades K-12. The Elementary School received recognition in 1988 and 1997 from both the State of New York and the United States Department of Education as a National School of Excellence. Opportunities for higher education are available throughout the many colleges and universities in and around the Albany area.

Water and sewer services are provided by the Towns, as are fire and police protection. Electricity and natural gas are provided by National Grid and telephone service by Spectrum. Police protection is provided by the Waterford Police Department, County Sheriff's Department and the New York State Police.

School District residents find commercial and financial services in and around the Albany area.

COVID-19

The COVID-19 outbreak spread globally, including to the United States, and was declared a pandemic by the World Health Organization. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also declared a state of emergency and the State took steps designed to mitigate the spread and impacts of COVID-19. The outbreak of the disease affected travel, commerce and financial markets globally and could continue to affect economic growth worldwide. Pursuant to an Executive Order of the Governor, the School District was closed from March 16, 2020 through the end of the 2019-20 school year. The School District reopened in September, 2020 and has continued to operate in a manner that is consistent with guidelines established by the State. Efforts to contain the spread of COVID-19 have reduced the spread of the virus and the restrictions put in place following the initial outbreak have largely been rescinded. The coronavirus public health emergency expired in May, 2023. Nevertheless, the outbreak of COVID-19 and the dramatic steps taken by the Federal government and State government to address it may negatively impact federal and local economies, including the economy of the State. The full impact of COVID-19 on the State's and School District's operations and financial condition may not be known for some time. Any resurgence of COVID-19 could have a material adverse effect on the State and municipalities and school districts located in the State, including the School District. The School District continues to monitor the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

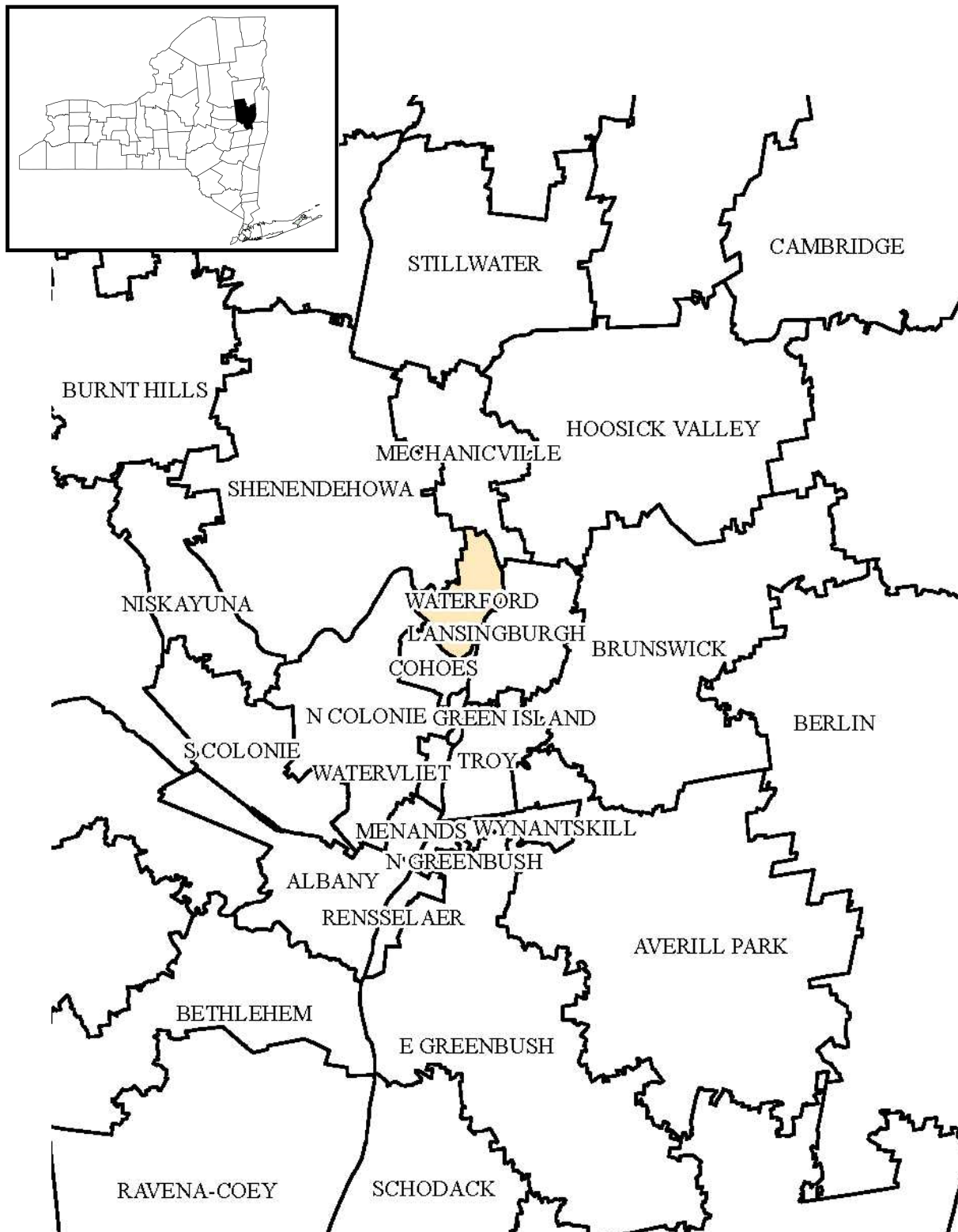
CYBERSECURITY

The School 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 School 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 School District carries insurance with coverage for cyber incidents or attacks and 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 School District digital networks and systems and the costs of remedying any such damage could be substantial.

BOND RATING

The School District has applied to S&P Global Ratings, a division of S&P Global Inc., for a rating for this issue.

GENERAL LOCATION MAP - WATERFORD-HALFMOON UNION FREE SCHOOL DISTRICT



SCHOOL DISTRICT OFFICIALS

The 2023-24 Board of Education consists of:

	<u>Term Expires</u>
John Catanzarita, President	06-30-26
Jamie Maloney, Vice President	06-30-26
Carolyn Bell	06-30-24
Denise Carutasu	06-30-25
Stephanie Gilbert	06-30-24
David Lee	06-30-26
Robert Zordan	06-30-25

The administrative officers and professional advisors of the School District consist of:

Michael Healey	Superintendent
Samantha Schweitzer	Business Administrator
Donna Cramer	School District Clerk
Cady Kuebler	Treasurer
Girvin & Ferlazzo, PC	School District Attorney
BCA Architects & Engineers	Architects
Marvin & Company, P.C.	Certified Public Accountants
Barclay Damon LLP	Bond Counsel
Bernard P. Donegan, Inc.	Municipal Advisors

HISTORICAL/PROJECTED ENROLLMENT

2019-20	750
2020-21	754
2021-22	744
2022-23	752
2023-24	744
2024-25	750
2025-26	750
2026-27	750
2027-28	750
2028-29	750

SCHOOL FACILITIES

<u>Name of School</u>	<u>Grades</u>	<u>Date of Construction</u>	<u>Date of Last Addition or Alteration</u>	<u>Current Maximum Capacity</u>
Waterford-Halfmoon School	Pre-K - 12	1962	2024	<u>1,076</u>
Total Capacity				<u>1,076</u>

EMPLOYEE CONTRACTS

<u>Association</u>	<u>Periods Covered</u>	<u>Number of Employees Covered</u>	<u>Affiliation</u>
Waterford Teachers' Association	09-01-22/06-30-25	88	NYSUT
CSEA	07-01-21/06-30-26	48	CSEA/Local 1000 AFSCME AFL
Waterford Administrators' Association	07-01-18/06-30-24 ¹	4	NYSUT

The School District currently has 158 full-time and 30 part-time employees.

Note: 1 The School District is currently negotiating with the Association.

STATUS AND FINANCING OF EMPLOYEE PENSION BENEFITS

All non-teaching and non-certified administrative employees of the School District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State are members of the New York State and Local Employees' Retirement System ("ERS"). In the School District's 2023-24 and 2024-25 Budgets, the appropriations for payments to the ERS are \$220,000 and \$330,000, respectively.

Teachers and certified administrators are members of the New York State Teachers' Retirement System ("TRS" and, collectively with ERS, the "Retirement Systems"). Payments to the TRS are deducted from the School District's State aid payments. In the School District's 2023-24 and 2024-25 Budgets, the appropriations for payments to the TRS are \$815,000 and \$795,000, respectively.

The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. Other than those in Tier V and Tier VI (as described below), all members hired on or after July 27, 1976 with less than 10 years of service must contribute 3% of their gross annual salary toward the cost of retirement programs.

The investment of monies, and assumptions underlying the same, of the Retirement Systems covering the School District's employees are not subject to the direction of the School District. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the School District which could affect other budgetary matters. Concerned investors should contact the Retirement Systems' administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

The State's 2019-2020 Budget, which was signed into law on March 31, 2019, allows school districts in the State to establish a reserve fund for the purpose of funding/offsetting the cost of TRS contributions. School districts may pay into such 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 School District has established such a fund.

In 2003, Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and the Local Finance Law ("Chapter 49"). Chapter 49 empowered the State Comptroller to implement a comprehensive structural reform program for the ERS. The reform program established a minimum contribution for any local governmental employer equal to 4.5% of pensionable salaries for bills which were due December 15, 2003 and for all fiscal years thereafter, as a minimum annual contribution where the actual rate would otherwise be 4.5% or less due to the investment performance of the fund. In addition, the reform program instituted a billing system to match the budget cycle of municipalities and school districts that will advise such employers over one year in advance concerning actual pension contribution rates for the next annual billing cycle. Under the previous method, the requisite ERS contributions for a fiscal year could not be determined until after the local budget adoption process was complete. Under Chapter 49, a contribution for a given fiscal year is now based on the valuation of the pension fund on the prior April 1 of the calendar year preceding the contribution due date instead of the following April 1 in the year of contribution so that the exact amount may now be included in a budget.

On July 20, 2004, Chapter 260 of the Laws of 2004 ("Chapter 260") was enacted amending the New York State General Municipal Law, Local Finance Law and the Retirement and Social Security Law.

Chapter 260 contained three components which altered the way municipalities and school districts contribute to the State pension system: (1) revision of the payment due date, (2) extension of the period of time for pension debt amortization, and (3) authorization to establish a pension reserve fund. Prior to the effective date of Chapter 260, the annual retirement bill sent to municipalities and school districts from the State had reflected pension payments due between April 1 and March 31, consistent with the State fiscal year.

Chapter 260 provided for the following changes:

- **Contribution Payment Date Change:** The law changed the date on which local pension contributions are due to the State. The annual required contribution is now due February 1 annually instead of December 15.

Continued on following page.

STATUS AND FINANCING OF EMPLOYEE PENSION BENEFITS - Continued

- Pension Cost Amortization-Extension of Payout Period: The law also extended the ability of municipalities and school districts to amortize a portion of the current year pension cost over a period of 10 years, extending the term from five years as authorized under Chapter 49. Municipalities and school districts could choose to amortize, either directly through the State retirement system at a fixed interest rate annually determined by the State Comptroller, or through the capital markets, pension payments in excess of 9.5% in 2006 and 10.5% in 2007.
- Pension Contributions Reserve Fund: The law created special authorization to create a new category of reserve fund under the General Municipal Law. Municipalities and school districts may now establish a retirement contribution reserve fund that can be funded from other available current government resources.

On December 10, 2009, legislation was signed into law that created a new Tier V pension level. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years. The State's 2022-23 Budget reduced the minimum years of service required to draw a pension from 10 years to 5 years.
- There is a cap on the amount of overtime that can be considered in the calculation of pension benefits. The cap for 2023-24 for Tier V is \$22,028.01 and the cap for Tier VI is \$19,729.00.

Members of the TRS have a separate Tier V benefit structure that will achieve equivalent savings as other civilian public employees. It includes:

- Raising the minimum age an individual can retire without penalty from 55 to 57 years.
- Contributing 3.5% of their annual wages to pension costs rather than 3% and continuing this increased contribution so long as they accumulate additional pension credits.
- Increasing the 2% multiplier threshold for final pension calculations from 20 to 25 years.

In accordance with constitutional requirements, Tier V applies only to public employees hired after December 31, 2009 and before April 2, 2012.

On March 16, 2012, legislation was signed into law that created a new Tier VI pension level. The Tier VI plan only applies to those employees hired on or after April 1, 2012.

Below is a brief summary highlighting a number of components from the Tier VI legislation:

- The employee contribution rates vary based on a salary sliding scale from 3% to 6% of salary.
- Under previous tiers, there was no limit to the number of public employers a public employee worked for from which retirement benefits could be calculated. Tier VI permits only two salaries to be included in the calculation.
- The legislation includes an optional defined contribution plan for new non-union employees with annual salaries of \$75,000 and over. The employer will make an 8% contribution to employee contribution accounts. This is a voluntary option for those employees.
- The new tier increases the minimum retirement age from 62 to 63 and allows for early retirement with penalties. There will be a permanent reduction of a pension payout for each year a person retires prior to age 63.
- The pension multiplier for Tier VI is 1.75% for the first 20 years of service and 2% starting in the 21st year.
- Employees will vest after 10 years of service. The State's 2022-23 Budget reduced the number of years of service to 5 years. This is not a change from Tier V.
- The number of sick and leave days that can be applied toward retirement service credit is reduced from 200 to 100.
- The final average salary is based on a five-year average instead of the previous Tiers' three-year average. The State's 2024-25 Budget revised the final average salary to be based on the highest consecutive three-year average. The annual growth in salary used to determine pension allowances is capped at 10% of the average salary of the previous four years (lump sum payments of unused sick and vacation time are eliminated from the calculation).
- Pension eligible overtime for civilian and non-uniformed employees will be capped at \$15,000 plus inflation. For uniformed employees (primarily police and fire) outside of New York City, the cap is set at 15% of base pay.
- The State is required to fund any pension enhancements on an ongoing basis. This is a potential future cost savings for local governments.

Concluded on following page.

STATUS AND FINANCING OF EMPLOYEE PENSION BENEFITS - Concluded

The average contribution rate for the ERS for the 2023-24 fiscal year is 13.1%. The average contribution rate for the TRS for the 2023-24 fiscal year is 9.76%.

The 2013-14 State Budget included a provision that provides local governments and school districts, including the School District, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and TRS. The stable rates were 12% for ERS and 14% for TRS for 2013-14 and 2014-15; 2015-16 and beyond were subject to adjustment. The pension contribution rates under this program reduced near-term payments for employers, but required higher than normal contributions in later years. This provision describes this savings as a "spin up" of future savings from the implementation of Tier VI of the State Retirement System last year. The School District did not avail itself of this option.

The School District and other municipal units of government in the State are prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees.

The School District provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. GASB Statement No. 75 ("GASB 75") of the Governmental Accounting Standards Board ("GASB") requires governmental entities, such as the School District, to account for the cost of certain non-pension postemployment benefits as it accounts for vested pension benefits.

GASB 75 and OPEB. OPEB refers to "other postemployment benefits," meaning other than pension benefits. OPEB consists primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Before GASB 75, OPEB costs were generally accounted for and managed as current expenses in the year paid and were not reported as a liability on governmental financial statements.

GASB 75 requires municipalities and school districts to account for OPEB liabilities much like they already account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. However, GASB 75 also addresses certain circumstances in which a non-employer entity provides financial support for OPEB of employees of another entity and requires: (a) explanations of how and why the OPEB liability changed from year to year, (b) amortization and reporting of deferred inflows and outflows due to assumption changes, (c) use of a discount rate that takes into account resources of an OPEB plan and how they will be invested to maximize coverage of the liability, (d) a single actual cost method and (e) immediate recognition of OPEB expense and effects of changes to benefit terms.

Under GASB 75, a total OPEB liability is determined for each municipality or school district. A net change in the total OPEB Liability is calculated as the sum of changes for the year including service cost, interest, difference between expected and actual experience, changes in benefit terms, changes in assumptions or other inputs, less the benefit payments made by the School District for the year.

Based on the most recent actuarial valuation dated July 1, 2022 and financial data as of June 30, 2023, the School District's beginning year total OPEB liability was \$17,195,925, the net change for the year was \$3,869,884, resulting in a total OPEB liability of \$21,065,809 for the fiscal year ending June 30, 2023. The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the School District's June 30, 2023 financial statements.

The total OPEB liability is required to be determined through an actuarial valuation every two years, at a minimum. However, OPEB plans with fewer than 100 members, may use an alternative measurement method in place of an actuarial valuation. Additional information about GASB 75 and other accounting rules applicable to municipalities and school districts may be obtained from GASB.

There is no authority in current State law to establish a trust account or reserve fund for this liability.

The School District's total OPEB liability is expected to increase. As is the case with most municipalities and school districts, this is being handled by the School District on a "pay-as-you-go" basis. Substantial future increases could have a material adverse impact upon the School District's finances and could force the School District to reduce services, raise taxes or both.

MAJOR EMPLOYERS

<u>Name</u>	<u>Type of Product or Service</u>	<u>Approximate Number of Employees</u>
General Electric (MPM Silicones LLC) ¹	Silicone Manufacturing Plant	1,300
Mohawk Paper Mills	Manufacturing - Paper Products	360
Waterford-Halfmoon Union Free School District	Public Education	188
Cascades Tissue Group	Manufacturing - Paper Products	102
Shaker Logistics	Shipping and Freight Transport	87

Note: 1 MPM Silicones LLC has publicly announced that it has filed bankruptcy under Chapter 11 and will continue to operate during the bankruptcy proceedings. MPM has publicly announced they plan to layoff 300 employees over the next two years.

UNEMPLOYMENT RATES¹

Unemployment statistics are not available for the School District as such. The smallest area for which such statistics are available (which includes the School District) is Saratoga County. The data set forth below with respect to the County is included for information purposes only. It should not be inferred from the inclusion of such data in this Official Statement that the School District is necessarily representative of the County or vice versa.

<u>Year</u>	<u>County Unemployment Rate</u>	<u>New York State Unemployment Rate</u>	<u>U.S. Unemployment Rate</u>
2014	4.7%	6.3%	6.2%
2015	4.2%	5.2%	5.3%
2016	3.9%	4.9%	4.9%
2017	3.9%	4.6%	4.4%
2018	3.5%	4.1%	3.9%
2019	3.2%	3.9%	3.7%
2020	6.4%	9.8%	8.1%
2021	3.8%	4.1%	5.3%
2022	2.7%	4.3%	3.6%
2023	2.9%	4.2%	3.6%

Note: 1 Unemployment rates for 2020 increased substantially over prior years as a result of the COVID-19 pandemic.

Source: New York State Department of Labor, abstracted March 14, 2024. Rates shown are not seasonally adjusted.

INVESTMENT POLICY

Pursuant to the statutes of the State of New York, the School District is permitted to invest only in the following investments: (1) special time deposit accounts in, certificates of deposit issued by or a deposit placement program (as provided by statute) with a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) obligations issued pursuant to Local Finance Law Sections 24.00 (tax anticipation notes) or 25.00 (revenue anticipation notes) with approval of the State Comptroller, by any municipality, school district or district corporation other than the School District; and (6) in the case of the School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by a pledge of eligible securities, an eligible letter of credit or an eligible surety bond, as each such term is defined in the law, or satisfy the statutory requirements of the deposit placement program.

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the School District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian. The School District is not authorized by State Law to invest in reverse repurchase agreements or similar derivative-type investments.

BUDGETARY PROCEDURES

Pursuant to the Education Law, the Board of Education of the School District annually prepares, or causes to be prepared, a budget for the ensuing fiscal year. A public hearing on such budget is held not less than seven and not more than fourteen days prior to the vote. The Board of Education causes notice of such public hearing to be published four times beginning seven weeks prior to the vote. After the public hearing, but not less than six days prior to the budget vote, the School District must mail a school budget notice to all qualified voters which contains the total budgeted amount, the dollar and percentage increase or decrease in the proposed budget (or contingency budget) as compared to the current budget, the percentage increase or decrease in the consumer price index, the estimated property tax levy, the basic STAR exemption impact and the date, time and place of the budget vote.

After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. All qualified School District residents are eligible to participate.

Pursuant to Chapter 97 of the Laws of 2011 of the State of New York ("Chapter 97"), beginning with the 2012-13 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% (plus certain adjustments, if applicable) or the rate of inflation (the "School District Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy increase that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap also must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the third Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). For a complete discussion of Chapter 97, see "Tax Levy Cap Law" herein.

The budget for the 2023-24 fiscal year was adopted by the qualified voters on May 16, 2023. The School District's 2023-24 Budget remained within the School District Tax Cap imposed by Chapter 97.

The budget for the 2024-25 fiscal year will be presented to the qualified voters on May 21, 2024. The School District's proposed 2024-25 Budget will remain within the School District Tax Cap imposed by Chapter 97.

STATE AID

The School District receives financial assistance from the State. In its budgets for the 2023-24 and 2024-25 fiscal years, approximately 42.46% and 42.42% of the revenues of the School District, respectively, are estimated to be received in the form of State aid. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the School District, in any year, the School District may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, should the State budget not be adopted in a timely manner, municipalities and school districts in the State, including the School District, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the School District. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the School District requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures (see also "Market Factors Affecting Financings of the State and Municipalities of the State").

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 and/or the State's cash flow difficulties.

The State's 2019-20 Budget included a total of \$27.69 billion for school aid, a year-to-year funding increase of \$956 million or 3.6%. The State's 2019-20 Budget provided \$338 million of additional funding for Foundation Aid, including a \$50 million increase for set-aside funding for Community Schools. The State's 2019-20 Budget continued initiatives implemented in previous years including funding for the State's prekindergarten programs, the Empire State After School program and the \$2 billion Smart Schools Bond Act. The State's 2019-20 Budget also contained provisions on the State's first ever collection and reporting of school-level financial data by requiring school districts to dedicate a portion of their Foundation Aid increases to address inequities in their most underfunded, neediest schools.

Due to the extraordinary challenges from the COVID-19 health crisis creating a \$10 billion loss in revenue to the State, the State's 2020-21 Budget included a total of \$27.9 billion of State aid, which was essentially the same amount of State aid to school districts included in the State's 2019-20 Budget. It should be noted that there was an actual year-to-year decrease of State aid implemented through a reduction of each school district's State aid allocation from the 2019-20 year. The reduction was referred to as a "Pandemic Adjustment". However, the decrease in State aid was expected to be fully offset by an allocation received by the State of funds from the recently approved federal stimulus bill. Absent the federal stimulus funds, there would have been a \$1.127 billion decrease in State aid from the 2019-20 year. In addition, the State's 2020-21 Budget authorized the State's Budget Director to make periodic adjustments to State aid, in the event that actual State revenues came in below 99% percent of estimates or if actual disbursements exceeded 101% of estimates. Specifically, the legislation provided that the State Budget Director would determine whether the State's 2020-2021 Budget was balanced during three "measurement periods": April 1 to April 30, May 1 to June 30, and July 1 to Dec. 31. According to the legislation, if "a General Fund imbalance has occurred during any Measurement Period," the State's Budget Director will be empowered to "adjust or reduce any general fund and/or state special revenue fund appropriation ... and related cash disbursement by any amount needed to maintain a balanced budget," and "such adjustments or reductions shall be done uniformly across the board to the extent practicably or by specific appropriations as needed." The legislation further provided that prior to making any adjustments or reductions, the State's Budget Director must notify the Legislature in writing and the Legislature has 10 days following receipt of such notice to prepare and approve its own plan. If the Legislature failed to approve its own plan, the Budget Director's reductions would take effect automatically.

Pursuant to that provision, in October, 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by \$1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled \$27.9 billion in the State's 2020-2021 Budget, an annual increase of approximately \$100 million or 0.4 percent from the 2019-2020 Budget. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received and the State released all of the withheld funds prior to June 30, 2021.

Continued on following page.

STATE AID - Continued

The State's 2021-22 Budget included a total of \$29.5 billion for school aid, a year-to-year funding increase of \$3 billion or 11.3%. The State's 2021-22 Budget provided \$19.8 billion for Foundation Aid, a \$1.4 billion increase, as well as a three-year phase-in of full funding of Foundation Aid by the State's 2024-25 fiscal year. Approximately 75 percent of the Foundation Aid increase was targeted to high-need school districts. The State's 2021-22 Budget included a \$105 million expansion of the State's full-day prekindergarten programs. The State's 2021-22 Budget also authorized aid for pandemic-related school district transportation costs. School districts were reimbursed for the cost of delivering school meals and instructional materials as well as the cost of keeping transportation employees and contractors on stand-by during the pandemic-related closures in spring 2020. The State's 2021-22 Budget included \$13 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools, to be used over multiple years. Of the \$13 billion, \$629 million was used as targeted grants to support efforts to address learning loss through activities such as summer enrichment and comprehensive after-school programs.

The State's 2022-23 Budget included a total of \$31.5 billion for school aid, an increase of \$2.1 billion or 7.2%. This increase was largely driven by the second year of the three-year phase in of full funding of the Foundation Aid formula. The State's 2022-23 Budget provided a \$1.5 billion increase in Foundation Aid, which included a 3% minimum annual increase to fully funded school districts. The State's 2022-23 Budget also included a \$451 million increase in all other school aid programs. The State's 2022-23 Budget provided an additional \$125 million in funding for full-day prekindergarten programs.

The State's 2023-24 Budget included \$34.5 billion for school aid, an increase of \$3.1 billion or 10%. The State's 2023-24 Budget also provided a \$2.6 billion increase in Foundation Aid, fully funding the program for the first time in history.

The State's 2023-24 Budget provides \$134 million to increase access to free school meals. A \$20 million in grant funding will establish new Early College High School and Pathways in Technology Early College High School Programs. An investment of \$10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges was made to promote job readiness. An additional \$150 million was used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

The State's 2024-25 Executive Budget includes \$35.3 billion for school aid, representing an annual increase of approximately \$921 million (2.7 percent), inclusive of the State's full takeover of funding for prekindergarten expansion grants previously supported with Federal ARP funds. Excluding the State funds needed to support this takeover, the school aid increase totals \$825 million (2.4 percent) and includes a \$507 million (2.1 percent) increase in foundation aid. The State's 2024-25 Executive Budget proposes the removal of the "save harmless" provision, which currently ensures a school district receives at least the same amount of foundation aid as it received in the prior year. This change may result in school districts, including the School District, receiving less foundation aid than in previous years. In order to moderate the impact of the removal of the "save harmless" provision, the Executive Budget includes a wealth-based "transition adjustment", allowing school districts to retain \$207 million of excess foundation aid in SY 2025. The State's 2024-25 Executive Budget also includes a \$318 million increase in all other school aid programs, including expense-based aids, categorical aids, and competitive grants, and \$100 million of supplemental assistance grants that will provide additional aid to school districts. In fiscal years 2022 and 2023, public school districts were awarded \$14 billion of federal elementary and secondary school emergency relief funds, available for use over multiple years. The State's 2024-25 Executive Budget is subject to approval by the New York State Legislature and being signed into law by the Governor. There is no assurance that the State's 2024-25 Executive Budget will be adopted as presented to the State Legislature and no way to predict changes, if any, the Governor and the State Legislature may agree to.

Since March, 2020, the State has been awarded over \$14 billion in Federal education COVID response funding through the Coronavirus Aid, Relief, and Economic Security ("CARES") Act; Coronavirus Response and Relief Supplemental Appropriations Act, 2021 ("CRRSA"); and the American Rescue Plan ("ARP") Act. These funds are supporting the ability of local educational agencies to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in the State.

The State receives a substantial amount of federal aid for other 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. There is no assurance that such Federal aid will continue at similar levels in future years.

Reductions in federal funding levels in future years could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the federal administration and Congress, the State budget may be adversely affected by other actions taken by the federal government, including audits, disallowances, and changes to federal participation rates or other Medicaid rules.

Concluded on following page.

STATE AID – Concluded

Since the 2010-11 State fiscal year, the State budget has been generally adopted on or before April 1, with the exception of the 2016-17 State budget which was not adopted until April 9, 2017 and the State's 2023-24 Budget which was not adopted until May 3, 2023. The 2024-25 State budget was not adopted until April 20, 2024. 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.

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.

Section 99-b of the State Finance Law provides a mechanism for the intercept of certain State aid or assistance for the payment of the principal of and interest on bonds and notes of a school district (including the School District Bonds) in default on such payment. The intercept mechanism provides procedures for the giving of default notices to the State Comptroller, payment by the State Comptroller to the paying agent or agents for the bonds and notes in default of all or a portion of the amount then due and allotment, apportionment or payment by the State Comptroller of such State aid or assistance due to such school district.

FISCAL STRESS MONITORING

The New York State Office of the State Comptroller ("OSC") has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent information to School District officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's diverse school districts are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed yearly with the State Education Department. Using financial indicators that include June 30, 2023 year-end fund balance, cash position and patterns of operating deficits, the OSC system creates an overall fiscal stress score which classifies whether a district 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 report of the State Comptroller using financial indicators through June 30, 2023 designated the School District as "No Designation".

Note: See the official website of the New York State Comptroller for more information on FSMS. Reference to websites implies no warranty of accuracy of information therein nor inclusion herein by reference.

OTHER INFORMATION

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which the Bonds are to be issued is the Education Law and the Local Finance Law.

No principal or interest upon any obligation of the School District is past due.

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

The population of the School District is currently estimated to be 5,836 (2022 U.S. Census estimate).

Other than "Estimated Calculation of Overlapping Indebtedness", this Official Statement does not include the financial data of any other political subdivisions of the State having power to levy taxes within the School District.

FINANCIAL AUDITS

The School District retains an independent public accountant, whose most recent report covers the period ended June 30, 2023. Copies of the report have been duly delivered to the Electronic Municipal Market Access ("EMMA") system maintained by the Municipal Securities Rulemaking Board (<https://emma.msrb.org/P11723830-P21349623-P11758488.pdf>) and may be examined at the School District office. Such report was prepared as of the date thereof and has not been updated in connection with the preparation and dissemination of this Official Statement, which Official Statement itself was not audited. Any interested person is hereby referred to such report and any other report that may be filed with the EMMA system from time to time to determine whether there is, or has been, any material qualification to the opinion or opinions of such accountants that may have been provided therein.

The School District complies with the Uniform System of Accounts as prescribed for school districts in New York State. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting ("GAAFR"), published by the National Committee on Government Accounting Standards Board ("GASB").

Marvin & Company, P.C., the independent auditor for the School District, has not been engaged to perform and has not performed, since the date of its report, any procedures on the financial statements addressed in that report. Marvin & Company, P.C. also has not performed any procedures relating to this Official Statement.

FINANCIAL INFORMATION¹

Fiscal Year Ended <u>June 30:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Assessed Valuation:						
Waterford	\$ 628,394,471	\$ 625,119,323 ²	\$ 501,095,988 ³	\$ 498,686,311	\$ 498,641,993	\$ 501,212,706
Halfmoon	18,500,050	18,920,641	18,986,015	18,742,643	18,862,480	18,747,828
Total Assessed Value	\$ 646,894,521	\$ 644,039,964	\$ 520,082,003	\$ 517,428,954	\$ 517,504,473	\$ 519,960,534
Equalization Rates:						
Waterford	100.00%	100.00%	100.00%	93.00%	84.00%	80.00%
Halfmoon	57.25%	57.25%	56.75%	54.70%	47.50%	42.50%
Equalized Value:						
Waterford	\$ 628,394,471	\$ 625,119,323	\$ 501,095,988	\$ 536,221,839	\$ 593,621,420	\$ 626,515,882
Halfmoon	32,314,497	33,049,154	33,455,533	34,264,429	39,710,484	44,112,536
Total Equalized Value	\$ 660,708,968	\$ 658,168,477	\$ 534,551,521	\$ 570,486,268	\$ 633,331,904	\$ 670,628,418
Tax Levy for All Purposes	\$ 11,340,830	\$ 11,552,329	\$ 11,863,608	\$ 12,001,789	\$ 12,226,920	\$ 12,347,645
Tax Rate/\$1,000 Equalized Value	\$ 17.16	\$ 17.55	\$ 22.19	\$ 21.04	\$ 19.31	\$ 18.41
Tax Levy as a Percentage of Equalized Value	1.72%	1.76%	2.22%	2.10%	1.93%	1.84%
Outstanding Debt:						
Serial Bonds	\$ 13,599,902	\$ 11,685,000	\$ 9,700,000	\$ 8,055,000	\$ 15,760,000	\$ N/A
Bond Anticipation Notes	0	0	0	10,000,000	0	N/A
Leases ⁴	0	0	0	16,597	11,168	N/A
Total Debt	\$ 13,599,902	\$ 11,685,000	\$ 9,700,000	\$ 18,071,597	\$ 15,771,168	\$ N/A
Per Capita Debt	\$ 2,330.35	\$ 2,002.23	\$ 1,662.10	\$ 3,096.57	\$ 2,702.39	\$ N/A
Debt/\$1,000 Equalized Value	\$ 20.58	\$ 17.75	\$ 18.15	\$ 31.68	\$ 24.90	\$ N/A
Debt as a Percentage of Equalized Value	2.06%	1.78%	1.81%	3.17%	2.49%	N/A%

Notes: 1 Equalized values shown here are those used by the School District for tax levy purposes as provided in the Real Property Tax Law. In some cases, equalization rates established specifically for school tax apportionment may have been used, as is also provided in the Real Property Tax Law.

2 Change from previous year due to Town-wide revaluation.

3 Change from previous year due to decrease in assessment for MPM Silicones LLC.

4 Implementation of GASB 87 beginning fiscal year ending June 30, 2022.

N/A Not available until June 30, 2024.

STATEMENT OF NET POSITION

As of June 30, 2023

ASSETS:

Cash & Cash Equivalents	\$ 1,155,218
Restricted Cash & Cash Equivalents	331,994
Investments	2,173,098
Restricted Investments	4,288,815
Accounts Receivable	2,234,200
Inventories	9,479
Capital Assets - Net	31,453,120
Lease Assets - Net	131,146

TOTAL ASSETS \$ 41,777,070

DEFERRED OUTFLOWS OF RESOURCES:

Deferred Outflows of Resources	<u>6,164,178</u>
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TOTAL ASSETS AND DEFERRED OUTFLOWS \$ 47,941,248

LIABILITIES:

Accounts Payable	\$ 828,482
Accrued Liabilities	134,510
Advances	52,117
Due to Other Governments	160
Due to Teachers' Retirement System	781,144
Due to Employees' Retirement System	49,176
Other Liabilities	64,232
Long-Term Liabilities:	
Due in One Year	1,936,549
Due in More Than One Year	<u>38,972,051</u>

TOTAL LIABILITIES \$ 42,818,421

DEFERRED INFLOWS OF RESOURCES:

Deferred Inflows of Resources	<u>1,785,852</u>
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TOTAL LIABILITIES AND DEFERRED INFLOWS \$ 44,604,273

NET POSITION:

Net Investment in Capital Assets	\$ 14,746,452
Restricted	4,411,421
Unrestricted	<u>(15,820,898)</u>

TOTAL NET POSITION \$ 3,336,975

Source: Annual Financial Report prepared by Certified Public Accountants. Summary itself not audited.

STATEMENT OF ACTIVITIES

As of June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	
General Support	\$ 2,028,890	\$ 0	\$ 0	\$ 0	\$ (2,028,890)
Instruction	11,726,463	0	1,188,052	0	(10,538,411)
Pupil Transportation	1,263,621	0	0	0	(1,263,621)
Employee Benefits	4,318,701	0	0	0	(4,318,701)
Capital Outlay	3,338	0	0	37,872	34,534
Depreciation - Unallocated	1,167,242	0	0	0	(1,167,242)
Amortization - Unallocated	62,496	0	0	0	(62,496)
School Lunch	399,570	108,501	269,313	0	(21,756)
Interest	517,199	0	0	0	(517,199)
Total Functions & Programs	\$ 21,487,520	\$ 108,501	\$ 1,457,365	\$ 37,872	\$ (19,883,782)
General Revenues:					
Real Property Taxes					\$ 12,036,769
State & Federal Aid					7,388,163
Investment Earnings					264,034
Compensation for Loss					782
Miscellaneous					438,729
Total General Revenues					\$ 20,128,477
Change in Net Position					244,695
NET POSITION, BEGINNING OF YEAR					\$ 3,092,280
TOTAL NET POSITION, END OF YEAR					\$ 3,336,975

Source: Annual Financial Report prepared by Certified Public Accountants. Summary itself not audited.

GENERAL FUND

COMPARATIVE BALANCE SHEET

Fiscal Year Ended <u>June 30:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
ASSETS:					
Cash & Cash Equivalents	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,008,415
Cash - Unrestricted	1,296,320	864,800	3,633,330	3,408,084	0
Cash - Restricted	1,160,000	0	0	793,575	0
Investments - Unrestricted	1,477,513	5,546,522	202,313	0	2,173,098
Investments - Restricted	3,567,948	1,609,135	2,590,186	2,522,986	3,769,803
Other Receivables	39,840	104,364	114,486	137,370	463,466
Due from Other Funds	1,226,262	900,477	888,177	1,115,136	1,727,981
Due from State & Federal	399,114	522,058	643,876	647,537	0
Due from Other Governments	<u>0</u>	<u>0</u>	<u>32,355</u>	<u>44,421</u>	<u>0</u>
Total Assets	<u>\$ 9,166,997</u>	<u>\$ 9,547,356</u>	<u>\$ 8,104,723</u>	<u>\$ 8,669,109</u>	<u>\$ 9,142,763</u>
LIABILITIES:					
Accounts Payable	\$ 308	\$ 3,479,661	\$ 215,633	\$ 133,770	\$ 320,188
Accrued Liabilities	27,519	7,642	134,474	112,321	99,220
Due to Other Funds	243,424	114,322	36,637	62,827	247,081
Due to Other Governments	789	789	0	0	0
Due to State Teachers' Retirement System	732,107	616,638	673,740	761,077	781,144
Due to Employees' Retirement System	54,219	61,675	57,323	60,697	49,176
Other Liabilities	0	0	0	0	64,232
Deferred Revenues	0	104,300	0	0	0
FUND BALANCE:					
Restricted:					
Reserves for:					
Capital	\$ 32,932	\$ 33,641	\$ 10,002	\$ 10,005	\$ 60,382
Employee Benefits					
Accrued Liability	1,160,000	935,243	931,773	921,643	845,850
Insurance	0	0	100,002	100,033	103,804
Retirement Contribution for State Teachers' Retirement System	117,000	119,517	254,633	390,375	480,006
Retirement Contribution for Employees' Retirement System	428,672	437,895	547,293	586,232	608,294
Tax Certiorari	2,989,344	82,839	500,014	1,000,001	1,287,381
Unemployment	0	0	89,981	92,229	95,705
Workers' Compensation	0	0	156,488	216,043	224,149
Assigned:					
Encumbrances	312,734	61,961	46,437	33,826	41,082
Appropriated Fund Balance	1,471,733	1,493,960	892,576	955,074	900,000
Unassigned:					
Unappropriated Fund Balance	<u>1,596,216</u>	<u>1,997,273</u>	<u>3,457,717</u>	<u>3,232,956</u>	<u>2,935,069</u>
Total Fund Balance	<u>8,108,631</u>	<u>5,162,329</u>	<u>6,986,916</u>	<u>7,538,417</u>	<u>7,581,722</u>
Total Liabilities & Fund Balance	<u>\$ 9,166,997</u>	<u>\$ 9,547,356</u>	<u>\$ 8,104,723</u>	<u>\$ 8,669,109</u>	<u>\$ 9,142,763</u>

Source: Annual Financial Reports prepared by Certified Public Accountants. Summary itself not audited.

GENERAL FUND

REVENUES, EXPENSES AND FUND BALANCE

Modified Accrual Double-Entry Basis

Fiscal Year Ended June 30:	Actual					Adopted Budget	Proposed Budget
	2019	2020	2021	2022	2023	2024	2025
Balance July 1	\$ 7,256,230	\$ 8,108,631	\$ 5,162,329	\$ 6,986,916	\$ 7,538,417	\$ 7,581,722 ¹	\$ N/A
REVENUES:							
Real Property Taxes	\$ 11,062,855	\$ 11,261,368	\$ 11,570,000	\$ 11,680,000	\$ 11,901,920	\$ 12,016,920	\$ 12,135,887
Other Tax Items	5,921	48,722	89,719	128,323	134,849	132,000	134,000
Charges for Services	105,836	122,577	134,514	141,966	149,042	127,000	132,000
Use of Money & Property Sale of Property/ Compensation for Loss	65,626 2,513	115,765 379	5,041 11,884	12,469 8,390	245,275 782	75,000 2,000	100,000 2,000
Miscellaneous	428,582	384,138	349,368	306,697	232,019	175,000	200,000
State Aid	7,811,334	7,829,802	8,041,028	7,461,579	7,212,392	9,963,112	10,088,564
Federal Aid	141,689	53,348	203,192	54,424	175,771	45,000	60,000
Interfund Transfers	0	0	9,216	0	0	30,000	30,000
Total Revenues	\$ 19,624,356	\$ 19,816,099	\$ 20,413,962	\$ 19,793,848	\$ 20,052,050	\$ 22,566,032	\$ 22,882,451 ¹
Total Revenues & Beginning Balance	\$ 26,880,586	\$ 27,924,730	\$ 25,576,291	\$ 26,780,764	\$ 27,590,467	\$ 30,147,754	\$ N/A
EXPENSES:							
General Support	\$ 1,841,362	\$ 5,251,022	\$ 1,768,930	\$ 1,726,893	\$ 2,014,842	\$ 2,506,133	\$ 2,592,109
Instruction	9,664,945	10,215,502	9,769,402	10,092,637	10,660,967	11,641,088	12,237,540
Transportation	1,358,445	1,247,179	1,098,316	1,183,615	1,231,860	1,526,575	1,432,750
Employee Benefits	4,167,354	3,968,620	4,040,789	4,186,737	4,241,416	4,891,512	5,051,623
Debt Service - Principal	1,610,000	1,914,902	1,985,000	1,650,328	1,105,429	1,290,000	1,355,000
- Interest	390,960	326,663	285,419	265,310	495,688	1,345,724	978,429
Interfund Transfers	112,881	27,999	0	136,827	258,543	265,000	135,000
Total Expenses	\$ 19,145,947	\$ 22,951,887	\$ 18,947,856	\$ 19,242,347	\$ 20,008,745	\$ 23,466,032	\$ 23,782,451
Adjustments	373,992 ²	189,486 ²	358,481 ²	0	0	0	0
Balance June 30	\$ 8,108,631	\$ 5,162,329	\$ 6,986,916	\$ 7,538,417	\$ 7,581,722	\$ 6,681,722 ^E	\$ N/A
Fund Balance as a Percentage of Total Revenues	41.32%	26.05%	34.23%	38.08%	37.81%	29.61% ^E	N/A%

Source: Annual Financial Reports prepared by Certified Public Accountants and Annual Budgets. Summary itself not audited.

- Notes: 1 Appropriated Fund Balance equals \$900,000.
 2 Prior Period Adjustment.
 E Estimated based on 2023-24 budget.
 N/A Not available.

CHANGES IN REMAINING FUND BALANCES

Modified Accrual Double-Entry Basis

Fiscal Year Ended <u>June 30:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>SPECIAL AID FUND:</u>					
Balance July 1	\$ 54	\$ 54	\$ 54	\$ 54	\$ 54
Revenues	577,221	634,162	505,211	1,380,762	1,221,595
Expenses	577,221	634,162	505,211	1,380,762	1,221,595
Adjustments	0	0	0	0	0
Balance June 30	\$ 54	\$ 54	\$ 54	\$ 54	\$ 54
 <u>SCHOOL LUNCH FUND:</u>					
Balance July 1	\$ 173,902	\$ 140,446	\$ 31,912	\$ (16,675)	\$ 96,481
Revenues	304,128	259,476	237,679	453,129	380,055
Expenses	337,584	368,010	286,266	339,973	414,114
Adjustments	0	0	0	0	0
Balance June 30	\$ 140,446	\$ 31,912	\$ (16,675)	\$ 96,481	\$ 62,422
 <u>CAPITAL FUND:</u> ¹					
Balance July 1	\$ (929,115)	\$ 820,719	\$ 125,943	\$ (568,298)	\$ (2,851,057)
Revenues	4,530,781	89,405	1,705	248,204	10,262,872
Expenses	2,698,041	758,734	449,445	2,530,963	7,467,722
Adjustments	(82,906) ²	(25,447) ²	(246,501) ²	0	0
Balance June 30	\$ 820,719	\$ 125,943	\$ (568,298)	\$ (2,851,057)	\$ (55,907)
 <u>DEBT SERVICE FUND:</u>					
Balance July 1	\$ 585,537	\$ 554,728	\$ 525,703	\$ 481,071	\$ 603,979
Revenues	6,191	7,975	365	122,908	1,213,757
Expenses	37,000	37,000	44,997	0	1,195,000
Adjustments	0	0	0	0	0
Balance June 30	\$ 554,728	\$ 525,703	\$ 481,071	\$ 603,979	\$ 622,736

- Notes: 1 The Governmental Accounting Standards Boards NCGA Interpretation #9 requires proceeds of short-term obligations (including bond anticipation notes) to be recorded as a "liability" on the balance sheet. Revenue may only be recognized as subsequent principal reductions are made to the short-term liability. Consequently, capital projects financed with short-term obligations appear to be overspent until permanent bonds are sold or the short-term obligation is liquidated.
- 2 Prior Period Adjustment.

Concluded on the following page.

CHANGES IN REMAINING FUND BALANCES - Concluded

Modified Accrual Double-Entry Basis

Fiscal Year Ended <u>June 30:</u>	<u>2019</u>		<u>2020</u>		<u>2021</u>		<u>2022</u>		<u>2023</u>	
<u>SPECIAL REVENUE FUND:</u> ¹										
Balance July 1	\$	0	\$	0	\$	30,602 ²	\$	30,156	\$	29,143
Revenues		0		0		1,654		1,587		10,797
Expenses		0		0		2,100		2,600		10,172
Adjustments		0		0		0		0		0
Balance June 30	\$	0	\$	0	\$	30,156	\$	29,143	\$	29,768

SPECIAL REVENUE FUND - EXTRACLASS:¹

Balance July 1	\$	0	\$	0	\$	52,134 ²	\$	54,300	\$	53,504
Revenues		0		0		37,295		54,914		56,594
Expenses		0		0		35,129		55,710		56,752
Adjustments		0		0		0		0		0
Balance June 30	\$	0	\$	0	\$	54,300	\$	53,504	\$	53,346

Source: Annual Financial Reports prepared by Certified Public Accountants. Summary itself not audited.

- Notes: 1 Implementation of GASB 84 beginning fiscal year ending June 30, 2021.
 2 Beginning balance as restated.

TAX COLLECTION PROCEDURE

School taxes are due September 30. If paid by September 30, no penalty is imposed. There is a 2% penalty if paid by the end of October. On November 1, a list of all unpaid taxes is given to the County Treasurer with an additional 7% penalty. The School District is reimbursed by the County for all unpaid taxes the first week of April in each year and is thus assured of 100% collection of its annual levy.

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 receive full reimbursement from the State for real property taxes exempted pursuant to the STAR program by the first business day in January of each year.

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of \$93,200 or less in 2023 and \$98,700 or less in 2024, increased annually according to a cost-of-living adjustment, are eligible for a "full value" exemption of the first \$81,400 for the 2023-24 school year and the first \$84,000 for the 2024-25 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross Income not in excess of \$250,000 (\$500,000 in the case of a STAR Credit, as discussed below) are eligible for a \$30,000 "full value" exemption on their primary residence.

Part A of Chapter 60 of the Laws of 2016 of the State of New York ("Chapter 60") gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-16 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. However, a new homeowner may receive a new personal income tax credit in the form of a check. The dollar benefit to eligible taxpayers will not change. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-16 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The 2019-20 State Budget made several changes to the STAR program, which went into effect immediately. The changes are intended to encourage home owners to switch from the STAR exemption to the STAR credit. The income limit for the exemption has been lowered to \$250,000, compared with a \$500,000 limit for the credit. Homeowners with STAR Adjusted Gross Income of \$250,000 or less have the option to elect the credit or exemption. The amount received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually.

The 2020-21 State Budget further modified the STAR program. Under such legislation, property owners with property tax delinquencies greater than one year are not eligible for the Basic STAR exemption or the Basic STAR credit. Recipients of the Enhanced STAR exemption and credits are not impacted by this program; they may continue to receive their STAR benefits even if their property taxes are delinquent.

The 2022-23 State Budget provided \$2.2 billion in State funding for a one year property tax relief credit, the Homeowners Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below \$250,000 and enhanced STAR recipients were eligible for the property tax rebate in 2022 where the benefit was a percentage of the homeowners' existing STAR benefit.

TAX LEVY CAP LAW

Chapter 97 was enacted on June 24, 2011. Chapter 97 limits the amount that a school district (other than the "Big 5" city school districts: Buffalo, New York City, Rochester, Syracuse and Yonkers) may increase its real property tax levy to the lesser of the rate of inflation or 2% (the "School District Tax Cap"). Chapter 97 allows a school district to exceed the School District Tax Cap only with at least 60% voter approval. Any separate proposition that would cause a school district's tax levy limit to be exceeded also must receive at least 60% voter approval. School districts subject to the School District Tax Cap are required to calculate their tax levy limit and submit the information to the Commissioner of Education, State Comptroller, and Commissioner of Taxation and Finance no later than March 1st of each year.

In addition, Chapter 97:

- Exempts certain pension payments, court orders and judgments and the local share of voter approved capital expenditures. Voter approved capital expenditures include the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of, or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law. The portion of the tax levy necessary to support the local share of voter approved capital expenditures is an exclusion from the School District Tax Cap. School district obligations issued to finance the local share of voter approved capital expenditures are hereinafter referred to as "Capital Project Obligations". Voter approved capital expenditures do not include debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficit notes.

- After a school district budget is rejected, the law allows a school district to resubmit the budget for another vote or adopt a zero tax levy growth budget. School districts would be required to adopt a zero tax levy growth budget if the proposed budget were twice rejected by voters.

- Includes a carryover provision of up to 1.5% from one year to the next of any amount in which the previous year's tax levy was below that year's School District Tax Cap.

- Includes a tax base growth factor calculated by the Commissioner of Taxation and Finance to account for any increase in the full value of taxable real property.

TAX COLLECTION RECORD

Fiscal Year Ended <u>June 30:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Fund						
Tax Levy	\$ 11,062,855	\$ 11,261,368	\$ 11,570,000	\$ 11,680,000	\$ 11,901,920	\$ 12,016,920
Omissions/Loss of Exemptions - Prior Years	0	3,926	0	0	0	0
Levy for Library	277,975	287,035	293,608	321,789	325,000	330,725
Total Levy for All Purposes	\$ 11,340,830	\$ 11,552,329	\$ 11,863,608	\$ 12,001,789	\$ 12,226,920	\$ 12,347,645
Excess/(Deficit) on Tax Rolls	0	0	0	0	0	0
Taxes Cancelled	(31,437)	(1,790)	(1,443)	0	0	0
Net Taxes on Roll	\$ 11,309,393	\$ 11,550,539	\$ 11,862,165	\$ 12,001,789	\$ 12,226,920	\$ 12,347,645
STAR Program	1,320,480	1,138,556	1,098,769	1,066,974	996,625	907,993
Net Taxes After STAR Program	\$ 9,988,913	\$ 10,411,983	\$ 10,763,396	\$ 10,934,815	\$ 11,230,295	\$ 11,439,652
Taxes Collected Prior to Return	9,606,930	10,017,918	10,215,766	10,324,543	10,616,585	10,781,545
Uncollected Date of Return	\$ 381,983	\$ 394,065	\$ 547,630	\$ 610,272	\$ 613,710	\$ 658,107
Percentage Collected Prior to Return	96.18%	96.22%	94.91%	94.42%	94.54%	94.25%

MAJOR TAXPAYERS

2023 Assessment Roll Used for 2023-24 Taxes

<u>Name</u>	<u>Type</u>	<u>Equalized Value</u>
MPM Silicones LLC (Part of GE) ¹	Silicone Manufacturing Plant	\$ 116,879,468
NYSD Limited Partnership	Utility	15,077,875
Cascades Tissue Group	Manufacturing - Paper Products	13,750,000
National Grid	Utility	6,297,618
Mohawk Paper Mills	Manufacturing - Paper Products	5,913,625
Gregory Beeche	Storage	4,517,176
Evonik Degussa Corporation	Manufacturing	3,948,000
Albany Engineering	Utility	3,750,000
Erie Blvd Hydropower	Utility	3,542,500
HBJ Development	Developer	<u>3,375,000</u>
Total.....		<u>\$ 177,051,261</u> ²

Notes: 1 MPM Silicones LLC has publicly announced that it has filed bankruptcy under Chapter 11 and will continue to operate during the bankruptcy proceedings. MPM has publicly announced they plan to layoff 300 employees over the next two years.

2 The above taxpayers represent 26.40% of the School District's 2023-24 equalized value of \$670,628,418.

SCHOOL DISTRICT INDEBTEDNESS - CONSTITUTIONAL REQUIREMENTS

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, 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; and, unless the School District elects substantially level or declining debt service, no installment may be more than fifty per centum in excess of the smallest prior installment. The School District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

Debt Limit. The School District has the power to contract indebtedness for any school district purpose so long as the principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the School District and subject to certain enumerated deductions. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio which such assessed valuation bears to the full valuation as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined.

SCHOOL DISTRICT INDEBTEDNESS - STATUTORY PROCEDURE

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

The School District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the School District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds.

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 (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

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 School 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 Constitution.

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

The Board of Education, as the finance board of the School 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 of Education, the chief fiscal officer of the School District, pursuant to the Local Finance Law.

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first issuance of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Status of Short-Term Indebtedness" herein.)

In general, the Local Finance Law contains provisions providing the School District with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget notes (see "Status of Short-Term Indebtedness" herein).

STATUS OF OUTSTANDING BOND ISSUES

Original Amount:	\$5,129,868	\$7,455,000	\$5,135,000			
Dated Date:	12/22/09	08/01/14	06/15/16			
Purpose:	Additions/Reconstruction to School Buildings	Advance Refunding	Construction/Reconstruction to School Buildings			
Last Maturity:	06/15/24	06/15/34	06/15/31			
Call Option:	June 15, 2019	June 15, 2024	June 15, 2024			
Interest Rate/ Instrument:	3.4301% - SB	2.1243% - RSB	1.9804% - SB			
Balance Principal 06-30-23:	<u>\$370,000</u>	<u>\$650,000</u>	<u>\$2,685,000</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Fiscal Year Ending June 30:						
2024	\$ 370,000	\$ 14,800	\$ 50,000	\$ 22,006	\$ 325,000	\$ 54,794
2025			55,000	20,506	330,000	48,294
2026			55,000	18,581	340,000	41,694
2027			55,000	16,931	345,000	34,894
2028			55,000	15,281	355,000	27,994
2029			60,000	13,563	365,000	20,894
2030			60,000	11,613	375,000	13,594
2031			65,000	9,513	<u>250,000</u>	<u>5,625</u>
2032			60,000	7,238		
2033			65,000	5,063		
2034			<u>70,000</u>	<u>2,625</u>		
Totals	<u>\$ 370,000</u>	<u>\$ 14,800</u>	<u>\$ 650,000</u>	<u>\$ 142,920</u>	<u>\$ 2,685,000</u>	<u>\$ 247,781</u>

Original Amount:	\$4,379,902	\$8,745,000		
Dated Date:	06/25/19	06/15/23		
Purpose:	Construction/ Reconstruction	Renovations/ Reconstruction		
Last Maturity:	06/15/34	06/15/38		
Call Option:	June 15, 2027	October 1, 2031		
Interest Rate/ Instrument:	2.2796% - SB	3.5861% - DASNY SB		
Balance Principal 06-30-23:	<u>\$3,310,000</u>	<u>\$8,745,000</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Fiscal Year Ending June 30:				
2024	\$ 265,000	\$ 74,713	\$ 390,000	\$ 565,996
2025	275,000	69,081	425,000	417,750
2026	285,000	63,238	450,000	396,500
2027	290,000	57,181	470,000	374,000
2028	300,000	51,019	495,000	350,500
2029	305,000	44,644	515,000	325,750
2030	310,000	37,781	540,000	300,000
2031	320,000	30,806	575,000	273,000
2032	315,000	23,606	595,000	244,250
2033	325,000	16,125	625,000	214,500
2034	<u>320,000</u>	<u>8,000</u>	665,000	183,250
2035			695,000	150,000
2036			730,000	115,250
2037			765,000	78,750
2038			<u>810,000</u>	<u>40,500</u>
Totals	<u>\$ 3,310,000</u>	<u>\$ 476,194</u>	<u>\$ 8,745,000</u>	<u>\$ 4,029,996</u>

Concluded on following page.

STATUS OF OUTSTANDING BOND ISSUES - Concluded

Fiscal Year Ending June 30:	Totals		Total Debt Service	Year-End Outstanding Principal
	Principal	Interest		
2024	\$ 1,400,000	\$ 732,308	\$ 2,132,308	\$ 14,360,000
2025	1,085,000	555,631	1,640,631	13,275,000
2026	1,130,000	520,012	1,650,012	12,145,000
2027	1,160,000	483,006	1,643,006	10,985,000
2028	1,205,000	444,794	1,649,794	9,780,000
2029	1,245,000	404,851	1,649,851	8,535,000
2030	1,285,000	362,988	1,647,988	7,250,000
2031	1,210,000	318,944	1,528,944	6,040,000
2032	970,000	275,094	1,245,094	5,070,000
2033	1,015,000	235,688	1,250,688	4,055,000
2034	1,055,000	193,875	1,248,875	3,000,000
2035	695,000	150,000	845,000	2,305,000
2036	730,000	115,250	845,250	1,575,000
2037	765,000	78,750	843,750	810,000
2038	<u>810,000</u>	<u>40,500</u>	<u>850,500</u>	0
Totals	<u>\$ 15,760,000</u>	<u>\$ 4,911,691</u>	<u>\$ 20,671,691</u>	

Source: School District Bond Records.

BOND PRINCIPAL MATURING IN CURRENT AND SUBSEQUENT FISCAL YEARS

Fiscal Year Ending June 30:	Prior Issues	This Issue	Total Maturing Principal	Year-End Outstanding Principal
2024	\$ 1,400,000	\$ 0	\$ 1,400,000	\$ 19,385,000
2025	1,085,000	460,000	1,545,000	17,840,000
2026	1,130,000	460,000	1,590,000	16,250,000
2027	1,160,000	480,000	1,640,000	14,610,000
2028	1,205,000	490,000	1,695,000	12,915,000
2029	1,245,000	510,000	1,755,000	11,160,000
2030	1,285,000	265,000	1,550,000	9,610,000
2031	1,210,000	270,000	1,480,000	8,130,000
2032	970,000	290,000	1,260,000	6,870,000
2033	1,015,000	300,000	1,315,000	5,555,000
2034	1,055,000	310,000	1,365,000	4,190,000
2035	695,000	320,000	1,015,000	3,175,000
2036	730,000	210,000	940,000	2,235,000
2037	765,000	215,000	980,000	1,255,000
2038	<u>810,000</u>	215,000	1,025,000	230,000
2039		<u>230,000</u>	<u>230,000</u>	0
Totals	<u>\$ 15,760,000</u>	<u>\$ 5,025,000</u>	<u>\$ 20,785,000</u>	

STATUS OF SHORT-TERM INDEBTEDNESS

As of May 7, 2024

<u>Bond Anticipation Notes</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>
Building	11/28/23	06/25/24	4.50%	<u>\$ 2,500,000</u> ¹
Total.....				<u>\$ 2,500,000</u>

Source: School District Note Records

Note: 1 To be paid in full at maturity with a portion (\$2,340,000) of the proceeds of this issue along with \$160,000 of current available funds appropriated therefor.

OPERATIONAL BORROWINGS

The School District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

BUILDING AID ESTIMATE

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the School District is eligible to receive a Building Aid Estimate from the New York State Department of Education. The School District has not applied for a Building Aid Estimate, but anticipates that aid may be received on its outstanding indebtedness at their Building Aid Ratio of 75.7%.

The State building aid ratio is calculated each year based upon a formula which reflects Resident Weighted Average Daily Attendance (RWADA) and the full value per pupil compared with the State average. Consequently, the estimated aid will vary over the life of each issue. State building aid is further dependent upon the continued apportionment of funds by the State Legislature.

A fundamental reform of building aid was enacted as Chapter 383 of the Laws of 2001. The provisions legislated, among other things, a new "assumed amortization" payout schedule for future State building aid payments based on an annual "average interest rate" and mandatory periods of probable usefulness with respect to the allocation of building aid. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the School District will receive in relation to its outstanding debt. See "State Aid" herein.

DEBT STATEMENT SUMMARY

As of May 7, 2024

<u>Town</u>	<u>2023-24 Assessed Valuation</u>	<u>Final 2023 Equalization Rate</u>	<u>Equalized Value</u>
Waterford	\$ 501,212,706	80.00%	\$ 626,515,882
Halfmoon	18,747,828	42.50%	<u>44,112,536</u>
Total			<u>\$ 670,628,418</u>
Debt Limit (10% thereof)			\$ 67,062,841
<u>Borrowings:</u>			
Serial Bonds		\$ 15,110,000	
Refunding Serial Bonds		650,000	
Bond Anticipation Notes		<u>160,000</u>	
Total Inclusions			\$ 15,920,000
<u>Proposed Issue:</u>			
Serial Bonds		<u>\$ 5,025,000</u>	<u>\$ 5,025,000</u>
Total Indebtedness			\$ 20,945,000
<u>Exclusions:</u>			
Building Aid Estimate		<u>\$ 0</u> ¹	
Total Exclusions			<u>\$ 0</u>
Total Net Indebtedness			\$ 20,945,000
Net Debt-Contracting Margin			\$ 46,117,841
Percentage of Debt-Contracting Power Exhausted			31.23%

Note: 1 Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing building debt. Since the Gross Indebtedness of the School District is within the debt limit, the School District has not applied for a Building Aid Estimate.

ESTIMATED CALCULATION OF OVERLAPPING INDEBTEDNESS

Overlapping Unit	<u>Applicable Equalized Value</u>	<u>Percent</u>	<u>Gross Indebtedness¹</u>	<u>Exclusions</u>	<u>Net Indebtedness</u>	<u>Estimated Applicable Overlapping Indebtedness</u>
Saratoga County	\$ 565,567,287 \$ 29,312,738,053	1.93%	\$ 91,704,650	\$ N/A	\$ 91,704,650	\$ 1,769,900
Town of Waterford	\$ 531,395,171 \$ 771,761,945	68.85%	9,515,250	N/A	9,515,250	6,551,707
Town of Halfmoon	\$ 34,172,116 \$ 2,852,649,658	1.20%	24,095,000	N/A	24,095,000	288,636
Village of Waterford	\$ 97,899,705 \$ 97,899,705	100.00%	189,000	N/A	189,000	<u>189,000</u>
Total						<u>\$ 8,799,242</u>

Source: Office of the State Comptroller Local Government Data for Fiscal Years Ended in 2022.

Notes: 1 Bonds and bond anticipation notes as of 2022 fiscal year. Not adjusted to include subsequent bond and note sales.
N/A Information not available from source document.

LITIGATION

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

There is currently one tax certiorari case pending against the School District with two tax years at issue, 2022 and 2023. The maximum refund would total approximately \$90,000. The School District has established a tax certiorari reserve.

Source: School District Official.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

As is the general rule with respect to municipal corporations, judgments against the School District may not be enforced by levy and execution against School District property.

Recent amendments to the Federal Bankruptcy Act have the effect of facilitating recourse to the protection of a Federal Court by public bodies 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 with any United States District Court or Court of Bankruptcy under any provision of Federal 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 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 the Local Finance Law enacted at the 1975 Extraordinary Session of the State Legislature, authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. 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 School District.

APPROVAL OF LEGAL PROCEEDINGS

The validity of the Bonds will be covered by the unqualified legal opinion of Barclay Damon LLP, Albany, New York, Bond Counsel to the School District, to the effect that the Bonds are valid and binding general obligations of the School District, all taxable property in the territory of the School District is subject to ad valorem taxation, without limitation as to rate or amount to pay the Bonds, and the School District is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources. In addition, such opinion will state that, under existing law and assuming compliance with certain covenants described herein and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by the School District, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code and interest on the Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code, however, interest on the Bonds that is included in the "adjusted financial statement income" of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code. The opinion set forth in the preceding sentence will be subject to the condition that the School District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for Federal income tax purposes. The School District will covenant to comply with all such requirements. Failure to comply with all such requirements may cause interest on the Bonds to be included in gross income for Federal income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel also will express an opinion that interest on the Bonds is exempt from personal income taxes imposed by New York State or any political subdivision thereof, including The City of New York. Bond Counsel will express no opinion regarding other Federal or state tax consequences arising with respect to the Bonds. The opinion will state that (1) the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity and (2) Bond Counsel expresses no opinion as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds. The opinion will be given as of the date of issuance of the Bonds and Bond Counsel will assume no obligation to update or supplement the opinion to reflect any facts or circumstances that may thereafter come to their attention or any changes in law that may thereafter occur.

TAX MATTERS

In the opinion of Barclay Damon LLP, Bond Counsel to the School District, under existing law, and assuming compliance with the certain covenants described herein and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by the School District, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is further of the opinion that interest on the Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code, however, interest on the Bonds that is included in the "adjusted financial statement income" of certain corporations is not excluded from the corporate alternative minimum tax under the Code. Bond Counsel also is of the opinion that, under existing law, interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Bond Counsel expresses no opinion regarding any other federal, state or local tax consequences with respect to the Bonds. The opinion of Bond Counsel will speak as of its date of issue and will not contain or provide any opinion or assurance regarding the future activities of the School District, or about the effect of future changes in the Code, the applicable regulations, rulings, judicial decisions, the interpretation thereof or the enforcement thereof by the Internal Revenue Service (the "IRS"). In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, the exclusion of interest on the Bonds from gross income for federal income tax purposes.

General

The Code imposes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code. Included among these requirements are restrictions on the investment and use of proceeds of the Bonds and the rebate of certain earnings in respect of such investments to the United States. The School District and others have made certain representations, certifications of fact, and statements of reasonable expectations and the School District has given certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code. The opinion of Bond Counsel assumes continuing compliance with such covenants as well as the accuracy and completeness of such representations, certifications of fact, and statements of reasonable expectations.

In the event of the inaccuracy or incompleteness of any such representations, certifications or statements of reasonable expectation, or of the failure by the School District to comply with any such covenant, the interest on the Bonds could become includable in gross income for federal income tax purposes retroactive to the date of original execution and delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs. Further, although the interest on the Bonds is excluded from gross income for federal income tax purposes, receipt or accrual of the interest may otherwise affect the tax liability of a Beneficial Owner of the Bonds. The tax effect of receipt or accrual of the interest will depend upon the tax status of a Beneficial Owner of the Bonds and such Beneficial Owner's other items of income, deduction or credit. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition, or the accrual or receipt of interest on, the Bonds.

Certain maturities of the Bonds (the "Discount Bonds") may be sold to the initial purchasers at prices less than the stated principal amounts thereof. The difference between the stated principal amount of the Discount Bonds and the initial offering price to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Discount Bonds of the same maturity were sold constitutes original issue discount that is excluded from gross income for federal income tax purposes to the same extent as interest on the Bonds. Further, such original issue discount accrues actuarially on a constant yield basis over the term of each Discount Bond and the basis of such Discount Bond acquired at such initial offering price by an initial purchaser of each Discount Bond will be increased by the amount of such accrued discount.

Certain maturities of the Bonds (the "Premium Bonds") may be sold to the initial purchasers at prices greater than the stated principal amount thereof. The Premium Bonds will be subject to requirements under the Code relating to tax cost reduction associated with the amortization of bond premium and, under certain circumstances, the initial owner of a Premium Bond may realize taxable gain upon disposition of Premium Bonds even though sold or redeemed for an amount less than or equal to such owner's original cost of acquiring Premium Bonds. The amortization requirements may also result in the reduction of the amount of stated interest that an owner of Premium Bonds is treated as having received for federal tax purposes (and an adjustment to basis). Owners of Premium Bonds are advised to consult with their own tax advisors with respect to the tax consequences of owning such Premium Bonds.

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TAX MATTERS - Concluded

Certain Collateral Federal Income Tax Consequences

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on, or disposition of the Bonds may have collateral federal income tax consequences for certain taxpayers, including financial corporations, insurance companies, Subchapter S corporations, certain foreign corporations, individual recipients of social security or railroad retirement benefits, individuals benefiting from the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their own tax advisors as to any possible collateral consequences of their ownership of, accrual or receipt of interest on, or disposition of the Bonds. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

Backup Withholding and Information Reporting

Interest paid on tax-exempt obligations is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. Interest on the Bonds may be subject to backup withholding if such interest is paid to a registered owner who or which (i) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (ii) has been identified by the IRS as being subject to backup withholding. Amounts withheld under the backup withholding rules will be paid to the IRS as federal income tax withheld on behalf of the registered owner of the Bonds and would be allowed as a refund or credit against such owner's federal income tax liability (or the federal income tax liability of the beneficial owner of the Bonds, if other than the registered owner).

Legislation

Current and future legislative proposals, if enacted into law, administrative actions or court decisions, at either the federal or state level, may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subjected to state income taxation, or otherwise have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Bonds for federal or state income tax purposes. The introduction or enactment of any such legislative proposals, administrative actions or court decisions may also affect, perhaps significantly, the value or marketability of the Bonds. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of Beneficial Owners of the Bonds may occur. Prospective purchasers of the Bonds should consult their own advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion. The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authority and represents the judgment of Bond Counsel as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the IRS or the courts.

The Bonds will be designated or deemed designated by the School District as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code and, in the case of certain financial institutions (within the meaning of Section 265(b) of the Code), a deduction is allowed for 80% of that portion of the interest expense of such financial institutions that shall be allocable to interest on the Bonds.

CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12, promulgated by the Securities and Exchange Commission (the "Commission"), as the same may be amended or officially interpreted from time to time, (the "Rule"), the School District shall provide, or cause to be provided either directly or through a designated agent to the Electronic Municipal Market Access ("EMMA") system maintained by the Municipal Securities Rulemaking Board ("MSRB"):

- (i) During any succeeding fiscal year in which the Bonds are outstanding, certain annual financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in this Official Statement under the headings "Bond Rating", "School District Officials", "Historical/Projected Enrollment", "School Facilities", "Employee Contracts", "Status and Financing of Employee Pension Benefits", "Unemployment Rates", "Major Employers", "Investment Policy", "Budgetary Procedures", "State Aid", "Fiscal Stress Monitoring", "Other Information", "Financial Audits", "Financial Information", "Statement of Net Position", "Statement of Activities", "General Fund - Comparative Balance Sheet", "General Fund - Revenue, Expenses and Fund Balance", "Changes in Remaining Fund Balances", "Tax Collection Procedure", "STAR - School Tax Exemption", "Tax Levy Cap Law", "Tax Collection Record", "Major Taxpayers", "Status of Outstanding Bond Issues", "Status of Short-Term Indebtedness", "Operational Borrowings", "Building Aid Estimate", "Debt Statement Summary", "Estimated Calculation of Overlapping Indebtedness" and "Litigation"; and a copy of the audited financial statements (prepared in accordance with generally accepted accounting principles in effect at the time of the audit) for the preceding fiscal year, if any. Such information, data and audited financial statements, if any, will be provided on or prior to the end of the sixth month of each succeeding fiscal year; provided, however, if audited financial statements are not available as of such date, unaudited financial statements will be provided. In that event, audited financial statements, if prepared, will be provided within sixty days following receipt thereof by the School District of audited financial statements for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year.
- (ii) In a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the following events with respect to the Bonds (each, an "Event Notice"):
 - (a) principal and interest payment delinquencies
 - (b) non-payment related defaults, if material
 - (c) unscheduled draws on debt service reserves reflecting financial difficulties
 - (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Bonds, unscheduled draws on credit enhancements reflecting financial difficulties
 - (e) substitution of credit or liquidity providers, or their failure to perform
 - (f) 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 Bonds, or other material events affecting the tax status of the Bonds
 - (g) modifications to rights of Bond holders, if material
 - (h) bond calls, if material, and tender offers
 - (i) defeasances
 - (j) release, substitution, or sale of property securing repayment of the Bonds, if material
 - (k) rating changes
 - (l) bankruptcy, insolvency, receivership or similar event of the School District
 - (m) the consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material

Concluded on following page.

CONTINUING DISCLOSURE UNDERTAKING – Concluded

- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
 - (o) incurrence of a financial obligation of the School District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the School District, any of which affect security holders, if material
 - (p) default, event of acceleration, termination event, modification of terms, or other similar events under the term of a financial obligation of the School District, any of which reflect financing difficulties.
- (iii) In a timely manner, notice of its failure to provide the required annual financial information, operating data and audited financial statements, if any, on or prior to the date specified.

The School District reserves the right to terminate its obligations to provide the annual financial information, operating data, audited financial statements and Event Notices, if and when the School District no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The School District acknowledges that its undertaking pursuant to the Rule is intended to be for the benefit of the holders of the Bonds (including holders of beneficial interests in the Bonds).

Failure of the School District to comply with its undertaking shall not be considered a default under the Bonds and shall have solely the following consequences: (a) the obligation of the School District to deliver annual financials, operating data, audited financial statements and an Event Notice pursuant to the Rule, and (b) the obligation of the School District to include notice of such breach in all final official statements delivered in connection with an offering of securities in accordance with the Rule. The right to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the obligations specified and no other remedies shall be available, including without limitation, any claim for money damages, as a consequence of such a failure.

The School District reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the School District; provided that, the School District agrees that any such modification will be done in a manner consistent with the Rule.

For the purpose of events (o) and (p), “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or source of pay for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii), but shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

The School District within the previous five years has complied to the best of its understanding, in all material respects, with any previous undertakings pursuant to Rule 15c2-12.

MISCELLANEOUS

The execution and delivery of this Official Statement have been duly authorized by the Board of Education of the School District. Concurrently with the delivery of the Bonds, the School District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Official Statement obtained from sources other than the School District is not guaranteed as to accuracy, completeness or fairness, the School District has no reason to believe and does not believe that such information is materially inaccurate or misleading, and to the knowledge of the School District, since the date of the Official Statement, there have been no material transactions not in the ordinary course of affairs entered into by the School District and no material adverse changes in the general affairs of the School District or in its financial condition as shown in the Official Statement other than as disclosed in or contemplated by the Official Statement. Certain information contained in the Official Statement has been obtained from sources other than the School District. All quotations from and summaries and explanations of provisions of laws herein do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

Barclay Damon LLP, Albany, New York, Bond Counsel to the School District, expresses no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the School District for use in connection with the offer and sale of the Bonds, including, but not limited to, this Official Statement.

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 the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Bonds.

The School District will act as Paying Agent for the Bonds. The School District's contact information is as follows: Samantha Schweizer, phone: (518) 237-0800 ext. 3305; email: sschweizer@whufsd.org. Requests for additional information or additional copies of the Notice of Bond Sale and Official Statement may be directed to Bernard P. Donegan, Inc., 345 Woodcliff Drive, 2nd Floor, Fairport, New York 14450; phone (585) 924-2145, fax (585) 924-4636.

Dated: May 7, 2024
Waterford, New York

/s/ _____ John Catanzarita
John Catanzarita
President, Board of Education